

LABOR CONDITIONS IN JAPAN

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PREFACE

THIS book deals mainly with the relationship between economic and social conditions, their effects upon the welfare of the working class and the trend of the labor movement in Japan.

The trend of the labor movement will be controlled by two factors, first, the future development of capitalism in Japan and, second, the growth of a consciousness on the part of the workers of the obstacles to be overcome if they are to attain the goal which they themselves set up.

The first part of this book describes and analyses the economic conditions of present-day Japan. The first chapter, dealing with the historical development of capitalism in Japan, shows poverty as characteristic of the economic status of the Tokugawa régime. This poverty and the practice of thrift which resulted from it and which was carried to an extreme by every class in those days and during the years following the political restoration (1868), have had their bearing upon the present standard of living in Japan, and the closely related problem of wages. The paternalism of the feudal period still exerts its influence on the relationship between the employer and the employee in present-day, industrial Japan. The payment of wages to the strikers during the period of striking, the payment of strike expenses by the employer, and the payment of discharge compensation to workers even though the discharge was due to strikes can only be accounted for as reflections of paternalism. The family system and the structure of community life in Japan have a close relation to population and unemployment. An under-

standing of feudal Japan is, therefore, a prerequisite to the understanding of modern Japan and her problems.

The economic life of Japan is largely dependent upon foreign countries, for Japan is short of raw materials (chapter two) and has insufficient industrial capital (chapter three). In disposing of manufactured articles, she is entirely dependent upon foreign markets (chapter four). These are some of the characteristics of the economic life of Japan, and they are also limiting factors for the development of industries in Japan. Economic conditions such as these are closely connected with the welfare of the working class, because the dependence of economic life upon foreign countries deprives Japan of industrial stability and threatens the maintenance of security of employment and of wages. The agrarian unrest (chapter five) and overpopulation (chapter six) are major internal economic problems which affect the welfare of the laboring class directly and indirectly. Overpopulation directly affects employment and wages in general, while the agrarian unrest due to the poverty and the hardships of peasant life stimulates their migration to urban and industrial centers, causing an over-supply of industrial workers and thereby affecting employment and wages in particular. The peasant class, when shifted to the industrial field, is made up of unskilled workers, accustomed to a lower standard of living, and they may be utilised by the employer to check the improvement of labor conditions and the progress of the labor movement. The migration of Korean workers and Chinese laborers into Japan is also discussed (chapter six) in connection with the problem of over-supply of labor.

The second part of this book deals with labor conditions in general. Chapter seven gives facts in regard to the workers classified according to sex, age and industries. The conditions of workers, including more than 500,000 women workers in dormitories attached to the factories, and their relation

to the labor movement are discussed. The unemployment situation as revealed by the unemployment census of 1925 is also included in this chapter. The relationship between wages and prices (chapter eight), the hours of work, and the factors limiting the adoption of an eight-hour work-day in Japan are treated in chapter nine. The cost of living for workers' families in Japan, considered in chapter eight, assists to an understanding of living conditions of workers in Japan, and the distribution of items of family expenditures partly reflects the influence of social conditions peculiar to Japan. In the light of this background the behavior of labor is chronologically traced (chapter ten). First the historical development of the labor movement in Japan and the oscillation of the movement between radical and reform policies are briefly mentioned. The political activity of labor, which began only in 1925 as the result of the adoption of manhood suffrage, is introduced in chapter eleven. The attitude of employers toward labor (chapter twelve) and of the government toward industrial relations (chapter thirteen) have very important bearings upon the future development of the labor movement and space is given to their discussion.

After a review of economic and social conditions as basic factors influencing the behavior of workers, employers and the government, conclusions are reached (chapter fourteen) including a few constructive suggestions adapted to labor in Japan.

Statistical data in this study should not be taken as showing the exact conditions. The science of statistics is not well developed in Japan and numerical data published in Japan are often inaccurate and inadequate. Although the data published by the Government of Japan and the Bank of Japan are two of the most reliable sources, and most of the tables referred to in this study are derived from government reports, yet their reproduction in this book is intended only as an indication of the general conditions.

I acknowledge with gratitude the valuable suggestions given by Professor Henry R. Seager of Columbia University under whose direction this study was undertaken and carried out. Thanks are due to Mr. Hiroshi Saito, Japanese Consul General in New York, who kindly put the library of the Consulate General at my disposal. Mr. Meijiyo Hara of New York, Commercial Secretary of the Japanese Embassy, has been good enough not only to permit me to use his office library, but has contributed helpful suggestions in regard to economic conditions in Japan and also helped me in getting material from the Japanese Government. Dr. Iwao Ayusawa of the International Labor Office, Geneva, Switzerland, has furnished me with valuable publications regarding labor legislation in Japan. I am very much indebted to Mr. and Mrs. Edward Thomas without whose constant encouragement, valuable suggestions and correction of English the completion of this study would hardly have been possible.

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INTRODUCTION

THE modern industrial system of Japan has had a phenomenal development within the last sixty years. This has been essentially due to her contact with, and dependence upon foreign countries in procuring raw materials, in marketing finished products, and in instructing industrial technicians. This dependence of economic life upon foreign countries is not materially changed even at the present time. Japan lacks essential raw materials such as raw cotton, wool, flax, iron and steel, coal and oil. They are exported in large quantities from the United States, Australia, China, India and other Oriental countries. The stability of the industrial life in Japan also depends upon Japan's ability to command foreign markets. Furthermore, Japan is short of capital for industrial development. In this respect Japan's dependence upon the financial resources of the United States will increase further in the future.

Not only does Japan depend upon foreign countries in matters directly related to industrial problems, but also her surplus population is closely connected with international affairs. She must solve the population problem either by emigration or by absorption within her territory.

Socially viewed, Japan has not yet completely emerged from feudal influences. The leaders in any field of activities, economic, social, political and religious are those people who were either born or bred in the feudal age or have grown up under the strong influence of feudalism. Some institutions of the feudal period are still persisting at present, and exerting a profound influence. The relationship between the

master and the servant is characterized by paternalism in industrial relations. The payment of wages to strikers during a period of strike, and the payment of unemployment compensation to discharged workers even when discharge is caused by strikes are not infrequent. Furthermore, some employers pay strike expenses by contributing a lump sum without saying how it should be used. The family system is gradually collapsing under the influence of industrialization but still the system as it is seen today differs much from that of Western countries. The same is true of the construction of the community and social forces which bind together the nation.

Politically speaking, Japan is a constitutional monarchy. No other nation parallels Japan in the conception of, and the reverence shown, the ruler. Under the influence of the advent of new social movements, the attitude of the younger generation is changing, but still the majority of the nation have not renounced their attitude of loyalty and obedience.

The understanding of Japan's dependence upon foreign countries for the development of her economic life on the one hand, and social and political institutions on the other, is important as a means of getting an insight into the characteristics of the behavior of the Japanese people as individuals and as a nation. These factors are shaping and moulding the national psychology and they are reflected in the conduct of labor in its relationship to the industrial field.

Japanese workers are influenced, among other things, by two fundamentally opposing economic systems. Beyond the Pacific ocean, Japan faces the United States, the young champion of capitalism with highly developed industrial and commercial systems. The ascendancy of the United States as a dominant economic power has diverted the inflowing current of civilization from European countries to the United States, and now American thought and culture, good and bad

indiscriminately, exert a profound influence upon the Japanese, and the American type of labor movements is not without influence in shaping the labor policy of Japan. But on the other hand, across the sea of Japan and beyond Manchuria, Japan faces Soviet Russia, the champion of a new economic order with vast natural resources. The ideals of the Communists appeal to humanitarian emotions, and the new economic order as worked out in the Soviet Union suggests the possibility of economic reorganization in Japan. The continuous economic depression since 1920, and increasing unemployment among the intellectual class have permeated the public mind with the desire to try a new economic order. The younger generation is blindly headed toward such idealism as the Soviet Union inspires in them. The attitude of the laboring class in Japan is opportunistic, swinging to capitalism or communism, whichever promises to her the most advantages. The evaluation of one system against the other causes a division of national thought. The continued disruption of the labor movement and proletarian political parties in the last few years is due to the reaction of the laboring class, as well as the clashes of personal sentiment on the subject of the Japanese situation in international economic and social conditions. Some favor a reform policy based on capitalism as the inevitable economic system, adapted to present-day Japan, while others advocate a radical change in the economic and social order.

The various social, political and educational systems in the world and the identity of interest between labor and capital shown by the disruption of the economic order during and after the World War awakened the mind of the laborer. More diversified economic and social conditions on the one hand, and changes in the mental outlook of the workers on the other, are producing a different labor movement in each country as illustrated by the labor organizations in the United States, England, Germany, France and Italy.

Capitalism which found a new field for development in the United States may not thrive in Japan. Likewise, Communism, which has found a home in Russia, is by no means sure of adoption in Japan. Before an intelligent labor policy is framed, there must be, therefore, a clear understanding of the basic factors peculiar to each country. Introspection is a characteristic of the Oriental peoples, and it is an aid in finding out the truth; but in handling this complicated international economic system, a scientific tool—an analytical and statistical mind—is equally a prerequisite to the discovery of truth. This study is intended as an analytical approach to the Japanese labor problem. It serves at the same time as an introduction to labor conditions and economic problems related to the labor movement in Japan.

PART I
ECONOMIC BACKGROUND

CHAPTER I

FROM FEUDALISM TO CAPITALISM

IN a comparatively short period, of not more than sixty years, the entire commercial and industrial structure of Japan has been transformed along Western lines, and its exterior aspects have undergone revolutionary changes since 1868 when the feudal system ceased to function as a political institution. But the evolution of social institutions and traditions has not kept pace with the material world. Many old traditions and institutions still retain their power. Men born and bred in these environments cannot escape from these influences although constantly in touch with the modern forms of material civilization and the newer concepts of thoughts and ideals arising out of a new economic order. As a result, the attitude of mind of the modern Japanese seems radical, trying to escape from the old customs and traditions, which hold them down. Men think radically but behave conservatively. We may term it a transitional period. Some would call this a chaotic period of national life. In fact, Japanese clad in kimonos and sashes are reading the *Communists' Manifesto* and Bukarines's *Historischer Materialismus*.

Since economic conditions are controlling factors in the material welfare of mankind and are powerful influences in the formation of mental traits, the study of the economic conditions of the feudal period is a starting point for understanding the economic behavior of present-day Japan. It serves not only to illustrate the economic background upon which the modern industrial system is built, but also to throw light on the national psychology, the understanding of which

aids in comprehending the behavior of the laboring class in its relation to industry. Equally important is the study of the economic condition of present-day Japan which will influence the formation of national characteristics, and may shape the trend of the labor movement.

ECONOMIC STATUS IN FEUDAL JAPAN

In feudal Japan income was mainly derived from agriculture, although certain lines of manufacture such as pottery, lacquered ware, silk weaving, paper, and armour making had developed under the protection and encouragement of feudal lords. But, they laid emphasis upon industrial art rather than upon productivity on a commercial basis. Naturally, industry was a small-scale affair carried on by master artisans, and production was limited. Since national life was dependent upon agriculture, the social status of the peasant class was higher than that of the artisans and merchants; nevertheless, the economic status of the peasants gave them nothing but a bare subsistence. Neither was this the condition of the peasant alone. From the *Shogunate*¹ down to the retainers, except the merchant class who were under the protection of the feudal lords, all were on the verge of financial collapse when the new political order was instituted in 1868. The cause of this poverty was the dependence of national life upon a single industry, on agriculture alone.

Japan had resorted to intensive cultivation long before she entered into the feudal period, and the possible productivity of land had reached the maximum point under agricultural science as known in those days. According to the census of 1878, the production of rice, barley, and wheat, inclusive, was estimated at 177,598,000 bushels. The total population in the same year was estimated at 35,768,000. This amounts to 4.9 bushels per capita, which about equals the annual con-

¹ The head of feudal lords.

sumption. Statistical figures for those days are not accurate and, moreover, the census represents a time ten years after the Restoration. It is, therefore, not a dependable figure on the basis of which to pass judgment upon the economic status of the feudal period, but it serves to show that there was almost no national surplus in those days. In such a national economic situation, the wide practice of infanticide in the feudal period reflected economic hardships rather than moral degradation. A further analysis of the economic status of the ruling class, as well as of the peasant class, will present a more vivid picture of the economic life of feudal Japan.

ECONOMIC CONDITIONS AT THE LAST STAGE OF THE TOKUGAWA GOVERNMENT

The government income was derived from taxes, mainly in kind (rice) and partly in money. There is no authentic record of the finances, but Prof. Takimoto says in his *Economic History of Japan* that the annual production of rice in the latter part of the Tokugawa régime was, roughly speaking, 143,332,000 bushels.¹ Out of this total production, about 102,308,000 bushels went to feudal lords. So the net production on which the government could assess taxes was only about 40,952,000 bushels. A fifty per cent rice tax was common in those days. So on the basis of 40,952,000 bushels, the net revenue of the government was 20,476,000 bushels. This was the main income from which the whole expenditure of the national administration as well as of the private household of the Tokugawa family had to be met. But even with this fifty per cent tax, the income of the government was trivial, since there was no other source of income to be depended upon. Agriculture production was unsteady on

¹ The system of expressing income in terms of so many bushels of rice was abandoned in 1875 and it was replaced by money value. See Gregory Wilenkin, *Political and Economic Organization of Japan*.

account of storms and droughts which have frequently visited Japan, resulting in famines, and these natural calamities often reduced the government's income a great deal. Not only was the income often depleted in this way, but in addition, the government expenditures had to be increased considerably to provide emergency relief in the districts where crops had failed. Under such conditions, the financial troubles of the central government had grown enormously. In 1722, the *Shogun*, in order to meet the increased expenditure, required the feudal lords to contribute ten per cent of their income. In 1843, a law was passed to reduce the governmental expenditure one-half. Furthermore, the Tokugawa government frequently resorted to the drastic method of re-minting gold and silver coins, each time degrading the quality of the currency so that the government could increase the quantity of gold and silver coins even at the risk of causing economic disturbances. The following table will suffice to show the currency policy adopted by the Tokugawa government: In order to meet the emergency arising out of the depleted finances of the government, gold and silver coins were re-minted in 1695. The ratio of precious and base metals before and after such re-minting shows an extreme difference.

	<i>Before Re-minting</i>			<i>After Re-minting</i>		
	<i>Gold</i>	<i>Silver</i>	<i>Other Metals</i>	<i>Gold</i>	<i>Silver</i>	<i>Other Metals</i>
Gold coin ...	85.69	14.25	0.06	56.41	43.19	0.40
Silver coin ..		80.0	20.0		64.0	36.0

Having secured a considerable profit in this way, the government repeated the re-minting of coins several times afterward. In the following eighteen years gold coins were re-minted twice and silver coins, five times, and this policy was maintained until the *Meiji* Restoration (1868).

Such drastic measures and seemingly unwise policies are not to be regarded as the result of mere ignorance of the science of taxation or of economic laws, but rather they are the

evidences of the weak financial position of the central government.

FINANCIAL CONDITION OF FEUDAL LORDS

The financial condition of the feudal lords was no better than that of the central government. According to the study made by Prof. Takimoto,¹ there were at the end of the *Tokugawa Shogunate* administration 437 feudal lords including all whose assessable land products amounted to more than 50,000 bushels of rice. There were 420,579 *samurai* (warriors) depending entirely upon the feudal lords. Prof. Takimoto's estimate excludes those who were dependent upon warriors either as servants or as members of their families. Roughly speaking, there was a nearly unproductive class of 1,000,000 depending upon 437 feudal lords. Not only were the finances of the feudal lords ruined by the necessity of keeping such a large number of dependents, but the heavy tax exacted by the central government, the biennial trip to *Yeddo* (Tokio, the seat of the central government) to pay homage to the *Shogun* under the system of *Sankinkotai*,² had also weakened their financial standing, and many feudal lords had resorted to loans from merchants, and were on the verge of financial collapse.³

¹ Seiichi Takimoto, *Nippon Keizaishi* (Economic History of Japan), p. 294.

² *Sankinkotai* is a system which was instituted by the third *Shogun* Iyemitsu. It required feudal lords to pay homage to the *Shogun* every other year. The main object of the system was to keep in touch with the feudal lords so that secret plots against the *Shogun* might be averted. It was also hoped, through this system, to weaken the financial strength of the feudal lords, as the trip with a large number of *samurai* was a heavy financial burden to every feudal lord.

³ The lord of Sendai was one of the most powerful of the feudal lords and his income was estimated at 5,000,000 bushels of rice. When he was in financial trouble it was proposed that he invest 1,000 *ryo* (*ryo* is a unit of money used in the feudal period) at a high interest and to increase it to 150,000 *ryo* within 20 years. But he had not even 1,000 *ryo* to invest. Later his financial troubles were adjusted by a business man in Osaka.

ECONOMIC CONDITION OF THE PEASANT CLASS

Although the social status of the peasant class was higher than the artisan and the merchant class, their economic status may be said to be the lowest. They had no secondary occupation to add to their income. They tilled the land from morning to night leaving their fate in the hands of nature and of their rulers. The abundance or the niggardliness of the crop was entirely in the hands of nature while the disposition of the crop was in the hands of the feudal lords.¹ It is not difficult to see the impoverished condition of the peasant class with their small acreage of land; with frequent natural calamities such as floods and storms; and with constant exploitation by their rulers. Exploitation is not the only thing the peasant class had to bear; they were also oppressed by numerous regulations for thrift. For example, the feudal government demanded that the peasant live on an absolutely plain diet and wear plain clothing. Rice was prohibited from the daily diet as too luxurious, and the peasant had to live on barley, potatoes, etc. Their clothing was limited to cotton materials and good houses were denied as unbecoming the peasant class. The government also prohibited amusements. These restrictions were but the reflection of the poverty which prevailed in those days, and of the governmental policy of driving the peasant to hard work in the fields with the hope that a bushel of rice might be added to the annual income.

The peasant class is naturally conservative. It has no power over the ruling class, and is silent as long as it can keep on living. It is, therefore, an unusual and a desperate struggle when peasants fight against rulers to ameliorate their living conditions.

¹ The principle by which the Tokugawa government ruled the peasant class was based upon the recommendation by Honda Masanobu that the peasants should not have too much or else they would not work, nor should they be too poor. The income of the peasant class should be just sufficient to support life.

During the last stage of the Tokugawa government, between 1830 and 1846, there were five rice riots. In 1834, a riot broke out in *Yeddo* (Tokio), the capital. The next year 1835 witnessed a July riot in Senju when mobs attacked the rice dealers. In 1837, the famous Oshio riot broke out in Osaka. In the same year, a riot broke out in Echigo province. The causes of these riots were many, but the central driving force was the effort of the peasant class to free itself from the direct menace that was threatening its livelihood.

In the economic analysis of the feudal period we have seen throughout a common phenomenon—poverty. The central government, feudal lords, retainers, and the vast majority of the peasant class were all under the yoke of poverty.

Viewed in this way, the *Meiji* Restoration (the overturn of the feudal system, and the re-establishment of political authority) was not achieved by the band of loyalists alone who were spurred by the ethical teaching of patriotism to the Emperor. Increasing poverty hastened the change that had to come sooner or later.

The economic impoverishment was in our opinion, attributable to the dependence upon the single national agrarian industry and its limited productivity. Feudalism had risen in land economics and it had thrived in it; but the system ended at the stage where no further economic exploitation was possible, and it was displaced by a new economic order—capitalism.

GOVERNMENT POLICIES IN ENCOURAGING INDUSTRIES

The fall of feudalism, by removing restrictions, provided the way for the development of commerce both domestic and foreign. In 1854, prior to the *Meiji* Restoration, Japan had concluded a treaty with the United States. Similar treaties were concluded with England, Russia and other European countries. Thus, as soon as Japan opened her long-sealed

doors to foreign countries, Western civilization both in thought and in material things rushed in. The Western industrial system achieved a phenomenal development under the efficient leadership, encouragement and protection of the government. As the result, Japan in the last sixty years has seen an evolution of the national economy from the agricultural stage to a varied and complex commercial and industrial stage.

The greatest stimulus which Japanese leaders received from contact with the Western nations was material civilization, and their reactions to this stimulus were manifested in an indiscriminating attitude of the people, first of the government as leader, and later of private persons, to seize upon whatever appeared to them new and useful. As Trevor Johns pointed out :

The Japanese method of developing industries was to watch new industrial developments in the West, and the invention or process being in a fairly advanced stage, to buy up patents, . . . and reproduce the model on Japanese soil. In laying down plant and machinery for new industries and adopting new processes, it has been able to utilize the last improved ideas and machinery of the West.¹

Originality is a quality much coveted by every body, but new experiment has usually associated with it a tremendous waste; and when a nation behaves as a whole, it naturally prefers a method where there is least waste. This is especially true in a country like Japan where there are no resources to waste. Japan's quick adaptation to the new situation by following the examples set by her predecessors was the inevitable course she had to choose and, it will have to be followed for some years to come.

Unlike that of the United States, the industrial develop-

¹ Trevor Johns, "Notes on the Social and Economic Transition in Japan," *Economic Journal*, pp. 50-60.

ment in Japan was initiated and was encouraged by the government, and civilians followed the governmental leadership. In the field of commerce and industry the government has taken up the leadership from the very beginning, establishing model factories, and enacting laws designed for industrial and commercial development. The following incidents which have been taken from Prof. Yokoi's *Industrial History of Japan* will give an idea of how the government has helped commerce and industry in their initial periods:

1. In 1872, the government established a model factory for silk reeling in Gumma Prefecture, and two hundred girls were placed under a French expert to study the technique. In the course of time, the number of students who learned silk reeling in this factory reached several thousand, and they were distributed in various parts of the silk industrial territories.
2. For the better utilization of waste silk the government employed a Swiss, and established a model factory for silk spinning in 1874.
3. Machine cotton spinning attracted the attention of the government which purchased from England two spinning machines with 2,000 spindles each and established model factories, one in Aichi Prefecture and the other in Hiroshima. This was the beginning of the cotton industry in Japan¹ which at present forms one of the largest industries of the country.
4. In order to develop the woolen goods industry, the government employed a German and established a model factory near Tokio in 1877.
5. The cement industry was started by the government in 1874.
6. In 1879, the government employed an Englishman and established a model factory for the glass industry.

¹ Prior to this the feudal lord in Kagoshima had imported a spinning machine from England.

These factories started by the government were not designed as state-owned industries but simply to help and encourage private enterprises. Therefore, in 1880 the government, upon the enactment of a suitable law, transferred these factories to private owners. This gave a strong impetus to private enterprises and many factories have been since established, modeled on these factories.

In the field of transportation, the government also took the initiative and encouraged the development either by favorable laws or by granting a subsidy. The first railroad was built by the government in 1872 between Tokio and Yokohama, a distance of eighteen miles. In 1906, several important private lines were taken over by the government, and at present the Japanese railroad system is under the control of the government. Marine transportation and ship building owe their development to the government's subsidy. Ship building in Japan received encouragement by the enactment of the subsidy law in 1896, and by the end of 1905, there were 216 private shipbuilders and 42 private docks in Japan.

Besides establishing model factories, taking the initiative in building railroads, and encouraging marine transportation and shipbuilding by means of a subsidy, the government did not forget to send intelligent students abroad to absorb new technical knowledge which was applied to newly developing industries in Japan. Industrial development has also been facilitated by the formation of guilds among the industrial groups. Thus, in 1884 the Department of Agriculture and Commerce promulgated the rules for trade associations. In 1891 the Kyoto *Fu*¹ established a bureau for government inspection of commodities. This was followed by Fukui Prefecture in 1893 and by Ishikawa Prefecture in 1893. In 1900 a law was passed providing for setting up the Exporters' Associations.

¹*Fu* is an administrative area including suburban districts of metropolitan cities.

These few examples illustrate the early stage of industrial development in Japan. It is obvious from this enumeration that Japanese capitalism has developed under the highly protective wings of the government with its efficient leadership. It must be remembered, however, that the government's encouragement might not have resulted in such a brilliant success if it had not been supported by her foreign policy and her aggressive treaties with foreign countries. The discussion of Japan's foreign policy is not within the scope of the present study, but it must be mentioned briefly that Japan has had three wars within a half-century. The first war was fought in 1895 against China. Ten years later she fought against Russia, and in 1916 she joined the Allies and took part in the World War.

The primary idea of Japan in engaging her forces on the Asiatic Continent was national security and the desire to prevent a great power from establishing itself opposite her on the coast line of neighboring Korea. The second was territorial expansion to dispose of her increasing population. Japan's victory over China won for her the island of Formosa and an indemnity amounting to about 200,000,000 yen in Japanese money. This indemnity enabled Japan to establish a monetary system on the gold standard. The successful military campaign against Russia assured Japan's dominating influence in Manchuria in addition to awarding her the southern part of the island of Sakhalin. As the result of these wars, Japan was firmly established in her place of leadership in the Orient.

The governmental leadership in industrial development and military campaigns suggests the idea of the mercantilism of the 17th century. In England, the industrial revolution had shaken off the protective measures which were prominent in the period of mercantilism, and modern industrial structures were formed within the atmosphere of the *laissez faire* doc-

trines. Japan has never had a period in which *laissez faire* in the Western sense ruled her policies. Japanese industries and commerce are still under the protection and leadership of the government, and that is why the Japanese believe they can do nothing without the help of the government.

INDUSTRIAL DEVELOPMENT

The introduction of industries patterned after Western models brought immediate economic gains, and the nation as a whole, partly bewitched by the brilliant achievements in the West and partly to be free from economic poverty, rushed to take whatever the West could offer. Thus, within sixty years, the industrial life of Japan expanded from a shrunken national and agricultural economic stage to an international and industrial stage. The greatest industrial expansion, however, took place during the industrial boom of the World War. Supplies to Oriental markets from belligerent countries were cut off and the demand for general commodities increased to an unprecedented volume. Japanese industries were called on to meet the emergency. Plants were expanded; new establishments were added one after another. Industrial capital developed and transportation expanded both on land and sea. The accompanying comparative figures for 1913 and 1924 or 1925 will give an idea of the industrial expansion which took place in those years:

TABLE I
ECONOMIC STATISTICS OF JAPAN

	1913	1924	Per cent Increase or Decrease 1913 to 1924
1. Population (Japan proper).....	53,362,682	59,736,822	11.9
2. Index number of wholesale prices (Federal Reserve Board).....			100.0
3. State revenues and expenditures, yen.....	1,295,609,000	3,752,415,000	189.6
Revenues per capita, yen.....	13.78	35.97	161.0
Expenditures per capita, yen..	10.95	27.48	150.9
4. Money and Investment:			
Notes of Bank of Japan in cir- culation, yen (December) ..	420,883,507	1,625,898,249	286.3
Investment (paid-up capital of corporations and partner- ships), yen	1,983,232,000	10,849,328,000	447.0
5. Transportation:			
Railroad (mileage) State, mu- nicipal and private inclusive.	6,539	10,414	59.2
Marine			
Steamships, tons	1,528,264	3,564,867	133.2
Sailing vessels, tons.....	570,319	1,262,534	121.3
6. Foreign Trade:			
Exports, yen.....	656,173,566	2,310,447,697	252.1
Imports, yen.....	769,183,752	2,627,936,038	241.6
7. Production, Farm:			
Cultivated land, acres	14,248,452	14,859,654	04.2
Rice, bushels	257,280,940	292,658,349	13.7
Barley and wheat, bushels	128,236,069	97,690,996	23.3
Total agricultural products, yen		3,257,263,841	
Production per capita, yen....		55.08	
8. Production, mines:			
Gold, <i>momme</i> (a)	1,477,050	2,026,743	37.2
Copper, <i>kin</i> (b).....	110,835,408	105,093,487	5.2
Pig iron, metric tons	56,972	47,356	16.7
Steel, metric tons.....	14,301	27,885	94.9
Iron pyrites, <i>kan</i> (c)	30,553,626	58,788,189	92.4
Coal, metric tons.....	21,315,962	30,110,826	41.2
Sulphur, metric tons	59,448	46,873	
Sulphur ores, metric tons		51,709	
Petroleum, <i>roku</i> (d)	1,693,582	1,580,435	
Gas, cubic feet		724,608,000	
Total mineral products, yen...	146,848,792	351,390,743	139.2

Figures shown in italics denote decrease.

TABLE I—(Continued)

	1914	1925	Per cent Increase 1914 to 1925
9. Production, Marine:			
Fishery products, raw, yen...	73,723,004	190,178,192	157.9
Fishery, manufactured, yen (1915).....	54,809,363	202,036,166	268.6
10. Production, Manufacturing:			
Textile, yen	620,260,600	3,215,299,633	418.3
Metal, yen	47,964,877	421,350,131	778.4
Machine and tools, yen	110,906,291	458,569,513	313.4
Ceramic, yen	34,309,117	181,324,006	428.5
Chemical, yen	175,848,699	757,352,068	330.6
Wood board and wooden works, yen	27,943,245	175,230,683	527.0
Printing and book binding, yen	26,448,330	163,733,308	519.0
Food and drinks, yen	219,939,464	1,097,104,449	398.8
Electrical and gas, yen.....	25,251,796	108,214,421	328.5
Miscellaneous, yen.....	46,872,456	204,246,909	335.7
Wages, repairing and furnish- ing, yen	35,863,231	247,233,643	589.3
Total, yen.....	1,371,608,106	7,029,658,854	412.5

Note: Items 1 and 7. The Bureau of Statistics, Imperial Cabinet of Japan. The 45th *Teikoku Tokei Nenkan* (Statistical Annual of Japan), 1926, p. 21.

Items 2-6. The Institute for Commercial Research, The Kobe Higher Commercial School, *The Third Annual Bulletin of Financial and Economic Statistics*, 1926.

8. Bureau of Mines, Department of Commerce and Industry, Japan, *Honpo Kogyo-no Susei*, 1924, pp. 50-54.

9. Section of Statistics, Ministry of Agriculture and Forestry, Japan, *The Statistical Abstract of the Ministry of Agriculture and Forestry for 1925*, p. 48 and p. 54.

10. Section of Statistics, Ministry of Commerce and Industry, Japan, *Kojyo Tokei Hyo for 1925*, p. 470.

(a) *Momme* equals 0.12057 ounce, troy.

(b) *Kin* equals 160 *momme* or one and one-third pounds avordupois.

(c) *Kan* equals 1,000 *momme* or eight and one-third pounds.

(d) *Koku* equals 47.9538 gallons.

INDUSTRIAL PROSPECTS AND LABOR

Of all these phenomenal developments in the economic life of Japan, the growth of its manufacturing industries may be regarded as the most important, for no other branch of eco-

nomic activity can bring in a national income to support adequately an increasing population. The limited area of arable land and the arrested condition of the productivity of land give very little hope for Japan's economic future if she remained dependent upon agriculture as her source of income. Nor is the future of mining bright. So scanty are the mineral deposits that a large percent of the supply of iron, petroleum, aluminum, etc., must come from foreign countries. The only hope that Japan can cling to is the manufacturing industry, especially those industries manufacturing for foreign trade. The mode of living in Japan is so different from that of the West that not all articles manufactured in Japan are consumable in the domestic markets. Accordingly, manufacturing industries related to home markets alone have not developed beyond the natural increase of demand due to the population increase. Such being the situation, the value entering into the export trade amounts to 25 to 30 per cent¹ of the total production of the manufacturing industry. This is nearly six times the proportion for the United States where the manufactured articles entering into foreign trade do not exceed more than five per cent of the total production in the manufacturing industry.

The dependence of Japan's economic life upon a stable foreign trade is closely related to the welfare of the laboring class since a large proportion of the workers in the industrial field are employed in industries which are wholly or to a large extent dependent on the ability of foreign markets to absorb their products. There are no statistical data giving a clear idea as to how many laborers are working in this kind of industry. A rough idea, however, of the number of workers

¹ The amount of the exports in 1923 was lower than that of the previous year by about 200,000,000 yen, and it was lower by 350,000,000 yen and 850,000,000 yen than for 1924 and 1925 respectively. It may fairly be assumed that the amount of exports constitutes about twenty-five to thirty per cent of the annual production.

employed in manufacturing articles for export purposes may be obtained by applying to the total number of laborers engaged in nineteen major industries the percentage of their output which was exported in a typical year, 1922. The result gives 394,000 workers who, statistically speaking, are exclusively engaged in manufacturing articles for foreign markets. This is, roughly speaking, forty per cent of the workers engaged in the industries taken into the computation or twenty-three and three-tenths per cent of all industrial workers. This method of computation is by no means satisfactory, but as we are not interested in the exact figure, the result thus obtained enables us to see that the welfare of labor in Japan largely depends on the stability of the foreign demand and of the prices in foreign markets. But dependence on foreign markets both for the supply of raw materials and for output places Japan in a peculiar situation, for she must face more foreign competition than those countries which control their raw materials or have large domestic markets. In these countries, disturbances in foreign markets have much less influence on industrial conditions at home. Japan is, from her industrial situation in the world, constantly exposed to the danger of the instability of demand and of price fluctuation of imported materials and exported articles.

SUMMARY

We have seen that the economic and the political orders in the feudal system came to an end when the new light of Western civilization was introduced—at the economic stage where the productivity of the land had reached the saturation point, and people were looking for a new field. The continued economic depression since the crisis in 1920 suggests to some searching minds appalling difficulties in the future to the further development of capitalism in Japan. There are many socialists and communists who believe that

capitalism in Japan has reached the last stage of its development, and that a new development of economic life on a different order from the present is inevitable, one according to the Marxian theory of economic evolution. Such reasoning is highly hypothetical. The problem must be approached from many sides, such as the interrelations of the economic conditions at home and abroad, the political and social structures, and the psychological development of the nation.

CHAPTER II

RAW MATERIALS AND LABOR

THE commercial policy of every country is tending toward the erection of high tariff barriers. Governmental control and private monopolies of the production and distribution of raw materials are constantly strengthening.¹ The dependence or the independence of a country with respect to its supply of fuel and raw materials almost controls the future of the industrial life of that country. Governmental control or the private monopoly of essential raw materials has been so conspicuous of late that Secretary Hoover in 1925, in the interest of the United States, made a strong protest against the British control of crude rubber production and distribution. He also pointed out several other raw materials including coffee, nitrates, sisal, potash, iodine, tin, quebracho, mercury, and quinine which were controlled by certain governments or placed under private monopolies.

¹ Foreign monopolies of raw materials.

<i>Commodity</i>	<i>Country</i>	<i>Proportion Produced</i>
Rubber	Great Britain	55 per cent
Coffee	San Paulo, Brazil	65 " "
Chilean Nitrate	Chile	100 " "
Iodine	Chile	80 " "
Potash	Germany and France	95 " "
Sisal	Yucatan, Mexico	75 " "
Silk	Japan	75 " "
Natural Camphor	Japan	95 " "

Quoted from "Foreign Control of Raw Materials," *The Index*, September 1926, p. 6 (The New York Trust Company).

The government-aided syndicate established in Japan to control silk export has been abolished and there is at present no direct control of this character.

ENERGY RESOURCES OF JAPAN: COAL

No adequate investigation has been carried out to determine the coal deposits in Japan, but they are roughly estimated at about eight billion tons.¹ The annual production averaged 28,445,000 metric tons² during the five-year period ending in 1924. Although Japan imported 1,979,978 tons of coal in 1924 from China, Kwantong Province, and the Dutch East Indies, Japan exported as well 1,711,000 tons in the same year.³ Accordingly, the annual consumption of coal in Japan may be estimated at somewhere between 25,000,000 tons and 30,000,000 tons. The consumption of coal is almost limited to the industrial field. For the heating of homes charcoal is substituted.⁴ Practically speaking, Japanese houses in the western half of Japan are not heated at all. Should the standard of living in Japan rise and coal be con-

¹ In 1913, The International Geological Congress made an estimate of the coal reserves in the world. The report showing the coal reserves in Japan, Korea and China is quoted below.

Country	Actual Reserves in million tons			Probable Reserves in million tons			Total
	Grade			Grade			
	A	B and C	D	A	B and C	D	
Japan	5	896	67	57	6,234	711	7,970
Korea	7	1	5	33	B. 4		
					C. 9	22	81
China proper	8,883	9,783		378,581	597,740	600	995,587
Manchuria		B. 31					
		C. 378		68	B. 223		
					C. 508		1,208

Quoted from Berglund, Abraham, "Iron and Steel Industry of Japan and Japanese Continental Policies," *The Journal of Political Economy*, vol. 30, October, 1922, pp. 623-654.

² Bureau of Mines, Department of Agriculture and Commerce, *op. cit.*, p. 53.

³ *The 44th Teikoku Tokei Nenkan*, 1925, p. 168.

⁴ *Cf. infra*, ch. viii.

sumed for heating the houses sheltering the 60,000,000 population, Japan would find the coal production inadequate.

The problem which concerns industry and the standard of living is not so much production as cost. The high price of coal is generally supposed to be inhibitive to the expansion of industries and transportation. The average price of coal in the first half of 1925 was 20.14 yen¹ (about \$10.07) per metric ton. In the same year the average price of coal in the United States was only \$4.39 per ton² (bituminous). The high price of coal in Japan is due partly to the scarcity of coal in the mines and the scattered distribution of small coal mines far from the industrial centres. The high freight rates are also responsible for the exorbitant price. In fact, the high price of coal is said to be one of the main causes of the tardy development of the iron industry in Japan.³

ENERGY RESOURCES OF JAPAN: OIL

Unlike that of coal, the oil supply in Japan falls far short of meeting the yearly increasing demand. It is not from the high cost of production, but rather due to the paucity of oil deposits. At present, over sixty per cent of the annual consumption of oil is imported.

¹ The average wholesale price in thirteen cities in Japan.

² *The World Almanac*, 1927, p. 360. Coal price is average domestic export price per long ton.

³ Dr. K. Imaizumi in a pamphlet, *Nine Shortcomings of the Industrial System in Japan in Reference to International Economic Competition* says that the production of one ton of pig iron consumes about two tons of coal, and of one ton of steel over three tons. On the basis of the price of coal at sixteen yen in Japan, seven yen in Germany, eight yen in England, and five yen in the United States, he worked out the cost of coal for the production of a ton of pig iron and steel.

Value per ton	Cost of coal consumed			
	U. S. A.	Germany	England	Japan
Pig Iron 100 yen	10 yen	14 yen	16 yen	34 yen
Steel 200 "	15 "	21 "	24 "	48 "

Statistics show the oil situation in Japan to be as follows :

The consumption had reached 203,338,000 gallons¹ in 1924 but the domestic production showed a tendency to decrease. The highest production of petroleum was reached in 1916 when there was an output of 123,508,000 gallons, but it gradually decreased, and the production in 1924 was only 75,307,000 gallons, or thirty-seven per cent of the consumption. The importation of crude oil, petroleum and gasoline in 1924 amounted to 128,031,000 gallons, forty-four per cent of which came from the United States, thirty-four per cent from Dutch East Indies, and the remaining amount from other countries including Java and Borneo.

ENERGY RESOURCES OF JAPAN : WATER POWER

The hydro-electric power industry in Japan has made a phenomenal growth since the World War. In 1913, the total supply of the hydro-electric power was only 321,596 k. w.² In 1925, the capacity had increased to 1,813,000 k. w. or six times within twelve years. The construction of power houses is still going on, and it is expected that the total supply will reach 2,890,000 k. w. in the near future. The extraordinary hilly character of Japan is an obstacle to the development of agriculture, but it gives Japan the possibility of developing the hydro-electric industry to 10,000,000 h. p.³ The capital investment reached 1,117,976,000 yen in 1924.

¹ The quantity of oil consumed in Japan as given is a rough estimate. The figure was obtained by adding the production and the amount imported in 1924. The quantity which was carried over from the previous year and that left for surplus is not known. Cf. Bureau of Mines, Department of Agriculture and Commerce, *op. cit.*, p. 54 and pp. 100-101.

² Investigated by the Department of Communication. Chugai Shogyo Shimposha, "*Keizai Zaisei Tokeihyo*" (Economic and Financial Statistics of Japan), January 1, 1927, p. 6.

³ *The Annals of the American Academy of Political and Social Science*, vol. cxxii, Nov., 1925, p. 96, "The Natural Resources of Japan," by Hiroshi Saito.

The development of hydro-electric power is certainly a great relief to Japan where the niggardliness of the natural resources of fuel hinders the growth of manufacturing and transportation. There must, however, be a considerable reduction in the cost of electricity before it can take the place of coal and oil.

The cost of electricity differs very much in various districts on account of the lack of a complete system of regulating the supply and the demand throughout the country. The average price was about 7.5 sen¹ per k. w. in 1925, but in a district where the supply was abundant and the competition severe, the rates were as low as from 2.5 to 3.5 sen in 1926.

The causes of the high cost of electricity in Japan are many. The high cost of construction of power houses and the high rate of interest affect the cost of production. Unadjusted supply and demand cause a tremendous waste which also affects the price. There is, however, a tendency for the price of electricity to fall on account of the severe competition among electric companies.

The relatively small production of energy power in Japan and her dependence for coal and oil upon foreign sources have given great concern to the government in connection with national defence. Although the supply of coal is to a certain extent assured by the Fushun, Yantai and Penhsihu coal mines in Manchuria, which are under the special control of Japan, the supply of oil has to be looked for in near-by countries. The commercial treaty² concluded between Japan and Soviet Russia in December, 1924, in spite of Japan's unwillingness to become involved in the principles of commun-

¹ *Jiji Year Book*, 1927, p. 286.

² According to the treaty, Japan obtained the concession for forty-four years for oil on the East coast of North Sakhalin between 50.3 to 53.1 latitudes, and for coal, West coast extending from 50. to 51.3 latitudes. Cf. *Kanpo* (Official Gazette of Japan), Dec., 1924; and *Current History*, May, 1925, pp. 240-44.

ism, was a definite move on Japan's part to assure herself an adequate supply of oil.

As a result of the treaty, Japan obtained a concession for exploiting coal and oil in North Sakhalin for forty-four years. Nothing can be said yet as to whether or not the exploitation of coal and oil there, will relieve Japan's dependence for fuel on foreign countries.

RAW MATERIALS

To what extent Japan depends for her supply of raw materials on foreign countries in comparison with the total consumption is not exactly known on account of the lack of a Census of Manufacture, but a rough idea as to her situation can be formed by analysing Japan's foreign trade.

The average importation of raw materials for five years ending in 1923 was 49.4 per cent of the total import. In 1924 it had declined to 47.6 per cent, but in the following year the figures rose as high as 58 per cent. Roughly speaking, about one-half of the total import into Japan consisted of raw materials, the main items of which will be seen in the following table.

TABLE II
IMPORTATION OF RAW MATERIALS IN 1925

<i>Articles</i>	<i>Value in Yen</i>	<i>Per cent of Total</i>
Total imports of all articles	2,572,657,863	
Imports of raw materials	1,492,745,000	58.0
Imports of finished articles to be used exclusively for material in manufacturing.....	328,396,000	12.8
<hr/>		
Food Stuffs:		
Wheat (materials for manufacturing flour).....	70,522,733	
Beans (for bean paste and shoyu sauce, etc.)....	53,032,488	
Raw sugar (no. 15 or under)	71,980,068	
Animal Products:		
Leather	16,983,585	
Animal hair	2,589,371	
Animal oil	5,941,693	
Bones, Ivory, Tortoise shell.....	5,293,811	

Textile goods :

Raw cotton	923,355,361
Ramie, Flax, Jute, etc.....	30,594,904
Wool and woollen yarns.....	176,996,642
Goat and camel hair.....	628,134
Cocoons	1,136,890
Shangtong raw silk and artificial silk.....	5,488,192
Waste raw silk and cotton.....	5,592,349

Chemical Stuffs :

Rubber	34,045,310
Pine resin.....	3,195,414
Caustic soda, raw	3,819,853
Nitric acid soda, raw	5,172,389
Sulphuric acid potassium, raw	2,678,336
Sulphuric acid ammonia	33,184,692

Mineral products :

Coal	24,526,008
Iron ore, pig iron, etc.	27,770,101
Copper ores	2,410,297
Tin	8,755,653
Zinc	10,396,852
Lead	16,358,959

Note: This table was constructed from the 45th *Teikoku Tokei Nenkan*. The above list does not represent all items of raw materials imported, but only selected items showing their relative importance to the Japanese industry.

In the manufacturing field, the textile industry is the largest in the volume of production as well as in the number of laborers employed. The reeling, spinning, weaving and dyeing which depend upon raw silk occupied about thirty-nine per cent of the total value of the production in 1925. The value of the production of those industries depending upon raw cotton amounted to forty-nine per cent in the same year, roughly calculated.¹

Japan is completely independent with respect to the supply of cocoons. The production, technique, wages, and industrial organization seem to assure the continuance of the raw silk industry without depending upon the supply of China, although the lower wages in China are considered to be a great competing element for the Japanese silk industry in the

¹ Section of Statistics, Ministry of Commerce and Industry, *op. cit.*, pp. 472-96.

future. This is not the situation, however, in the cotton industry. The consumption of raw cotton in 1925 had reached 2,622,000 bales which made Japan the third great cotton-consuming country in the world, only exceeded by the United States and Great Britain. The entire supply of raw cotton amounting to 923,000,000 yen¹ comes from foreign countries; forty per cent comes from the United States and fifty per cent from India; the remainder is supplied by China, Egypt and other countries.

The sources of raw cotton are thus distributed throughout different countries and cotton does not become the object of governmental monopoly, but being the product of nature, the volume of production varies to a great extent, and frequently a violent fluctuation of price results.

ANIMAL PRODUCTS

The supplies of wool, leather, bones, etc., are very inadequate in Japan on account of the undeveloped animal industries. The limited supply of arable land and pastures in Japan is a great handicap to the future development of this industry, and it seems that the entire supply of animal products must be looked for from foreign sources. The largest item falling in this classification is wool and woolen yarns. The importation of these articles is steadily and rapidly increasing on account of the wide-spread use of woolen clothing. In 1925 the importation of wool was 121,073,000 yen and woolen worsted yarns, 55,923,000 yen. Besides, Japan imported woolen cloth amounting to 57,481,000 yen. The importation of leather and furs was reported at 19,738,538 yen.²

¹ The 45th *Teikoku Tokei Nenkan*, 1926, p. 163.

² The 45th *Teikoku Tokei Nenkan*, 1926, pp. 163-164.

FLAX AND HEMP

Although Japan produces a certain amount of flax, the quantity is so small¹ that industries using flax and hemp depend for the supply of raw materials on China, the Philippines and India. The total import in 1925 amounted to 28,618,000 yen.

SUGAR

The production of sugar in Japan was reported to be only 90,778 tons in 1925. In the same year 426,797 tons of raw sugar, mostly brown, were transferred from Formosa.² In addition, Japan imported from the Dutch East Indies, the Philippine Islands, Java and other countries raw sugar amounting to 74,088,562 yen or 376,357 tons. Some of this is, however, re-exported after refining. The total exportation in 1925 reached 148,715 tons valued at 32,253,581 yen.

MINERAL PRODUCTS

We have already inquired into the production of coal and oil and found that neither of them presents an encouraging picture. Iron and steel are supposed to be the foundation of modern industry, but here again we find Japan depending to a large extent for her supply on foreign sources. So far as the supply of sulphur, copper, antimony and manganite is concerned, she is independent at present; but aluminum, tin, zinc, lead and phosphorus are imported.

IRON

Iron ores found in Japan are magnetite, hematite and limonite. The total deposit of iron in Japan is estimated at 123,000,000 metric tons according to the report of the

¹ The total production of hemp, ramie, flax and jute in 1925 was reported to be 102,016,258 lbs. valued at 9,610,433 yen. Cf. Section of Statistics, Ministry of Agriculture and Commerce, *op. cit.*, pp. 14-15.

² *Toyo Keizai Nenkan*, 1927, p. 144.

Department of Agriculture and Commerce in 1911,¹ and 50,000,000 tons in Korea and Formosa. Japan controls the Anshan and Miaohershan mines in Manchuria. The total deposits in these mines are estimated at 80,000,000 tons,² excluding ores of less than twenty-five per cent. The output of pig iron, steel ingot, and steel rod, bar, plate, etc., as will be seen in the table below is about one-half of the consumption.

TABLE III

THE PRODUCTION AND CONSUMPTION OF PIG IRON, STEEL INGOTS AND STEEL MATERIALS (IN METRIC TONS)

	1915	1920	1924
Pig Iron			
Production	320,627	529,875	598,405
Imports	172,685	390,298	520,122
Exports	400	2,514	6,319
Consumption	492,912	917,659	1,112,208
Production in per cent of consumption	65	58	54
Steel materials (sheet, rod, bar, wire, etc.)			
Production	342,870	537,461	906,280
Imports	233,639	1,039,452	1,154,402
Exports	26,000	97,382	88,800
Consumption	550,509	1,479,531	1,971,882
Production in per cent of consumption	62	36	46

Department of Commerce and Industry, "*Honpo Kogyo-no Susei*" for 1924, pp. 267-68.

¹ Cf. *Nippon Kogyo Taikan* (Encyclopaedia of Industries in Japan), 1925.

² The Annals of the American Academy of Political and Social Science, *op. cit.*, November, 1925.

According to the report of the Executive Committee of the Eleventh International Geographical Congress, actual or commercially valuable iron-ore reserves in Japan were estimated at 28,000,000 metric tons; in Korea, at 2,000,000 metric tons. Potential ore supplies (designating ore supplies which under present conditions cannot be profitably exploited) were estimated moderately. Cf. International Geological Congress, "Iron Ore Resources of the World," 1. xxviii, quoted from Berglund, Abraham, "Iron and Steel Industry of Japan and Japanese Continental Policies," *The Journal of Political Economy*, vol. xxx, October, 1922, pp. 623-54.

The deposits of iron ore in Japan are large enough to insure her an independent supply for her annual consumption, but the higher cost of production deters the development of this industry. Unlike those in the United States or England, the iron mines in Japan are scattered throughout the country, and the high freight rates make it almost impossible to transfer the ore to a centre of industry for large-scale production. The high cost of coal already referred to, and the relatively poor quality of ores are contributing causes to the high cost of production of iron and steel in Japan. The undeveloped iron industry is responsible for the slow development of related industries, especially the manufacturing of machinery and tools. In 1924, Japan imported ¹ 128,522,000 yen worth of machinery and tools from the United States, England, Germany, Switzerland, etc.

COPPER

Copper is the mineral with which Japan is more or less richly endowed. Before the World War, Japan was second to the United States as a copper-exporting country; but, in the post-war days, the cost of production has radically increased, and as a result, Japan's importation, mostly from the United States, exceeds her exportation. The production of copper in 1924 was 62,560 tons.² In the same year, the importation of copper reached 6,884 tons³ and only 324 tons⁴ were exported, making the excess of import 6,560 tons.

This decrease of the production is not due to the lack of copper ore, but rather to the high cost of production. The increase in wages is blamed for the high cost of production.

¹ The 44th *Teikoku Tokei Nenkan*, 1925.

² Bureau of Mines, Department of Commerce and Industry, *op. cit.*, p. 50.

³ *Ibid.*, p. 91.

⁴ The 44th *Teikoku Tokei Nenkan*, 1925.

CHEMICAL PRODUCTS

The chemical industry made rapid progress during the War period on account of the extraordinary demand from belligerent countries for war materials, and because Japan's monopolistic situation in domestic and Oriental markets further stimulated the industry to rapid expansion. As the result of such an active demand, prices soared to such an extent as to enable Japan to manufacture chemical stuffs even at a high cost of production. But, after peace was restored, and the international market resumed its activity, many chemical manufacturing plants were forced to the wall in the face of the severe competition of cheaper foreign goods. The economic depression which set in with the year 1920 was also a great blow to the newly started chemical manufacturing industries.

GOVERNMENT POLICIES

The national aspiration to be independent as regards the basic industrial materials such as iron, steel, dye stuffs, sugar, and salt, has moved Japan, in spite of the existence of a number of obstacles, to launch a movement toward the achievement of this end. Two industries—the manufacturing of dye stuffs, and the production of iron and steel—have been selected, and special attention was given them in 1925. The national plan for the independence of the supply of dye stuffs has not materialized yet, excepting the protection given by the government already in the form of tariffs and bounties. The national plan for the development of the iron and steel industry included three essential proposals:¹ 1. Co-operative sale of the products. 2. Co-operative purchase of iron ore. 3. The establishment of a division of production between iron and steel manufacturers. These plans have

¹ Iron and Steel Manufacturers' Conference was called by the government in 1925.

not been carried out on account of disagreement among competitors. The urgent necessity of developing the iron industry was clearly visualized by the government, and the act encouraging the manufacture of iron and steel¹ was amended and promulgated on March 10, 1927.

A further step for the control, investigation, and encouragement of the production of raw materials was taken by the government by creating the Bureau of Natural Resources, "*Shigenkyoku*," in 1927.

The government's protection of basic industries by granting bounties and erecting high tariff walls, may be effective in checking the flooding of the domestic market with foreign products. But, such protection given to the industry lacking the supply of raw materials within the country will not insure normal development within a short period. Experience shows that the products of the protected industries are often inferior and prices are higher than those offered by foreign manufacturers.

RAW MATERIALS AND LABOR

The modern tendency of controlling the production and the exportation of raw materials and the practice of price fixing threaten the continuance of industries depending for the supply of raw materials on foreign countries either because of insufficiency of the home supply or price fluctuations. The higher price of raw materials is not fatal to a country which has a vast domestic market with high purchasing power; but, the situation is different in Japan. She has no large domestic market, nor high purchasing power, and the products are largely exported to foreign markets. Accordingly, the vol-

¹ According to the Amendment Act, the bounty of six yen or less will be given for production of one metric ton of iron or steel. The government has set aside 1,500,000 yen for the year 1926 to carry out the plan. The period in which the business tax and income tax were exempt was further extended.

ume and the margin of shifting the high cost of production are much smaller and narrower in Japan than among her competitors. Furthermore, Japanese industry has not developed from the semi-finished goods manufacturing stage.

If the welfare of the laboring class depends upon the continuity of work and the prosperity of industry, the problem of raw materials becomes a very important factor for the future industrial life of Japan. Unless the entrepreneur uses keen judgment of the market situation and has foresight in reading the future, industry may be endangered by the forced discontinuing of raw materials, and the frequent fluctuation of prices may lead to business failures causing reductions in wages, discharge of employees and delay in the improvement of labor conditions. These adverse influences will be aggravated, because the working class in Japan is not well organized.

CHAPTER III

RESOURCES OF INDUSTRIAL CAPITAL

CAPITAL is one of the important items among the requisites to production, and the rate of interest becomes a determining factor for the successful conduct of modern industry.

THE RATE OF INTEREST IN JAPAN

The discount rate of short commercial bills throughout Japan in 1926 was reported at 10.87 per cent.¹ In Tokyo, it ranged from 6.65 per cent to 8.63 per cent, the average being 7.64 per cent.² In the same year, the average yield on bonds was 7.7 per cent,³ and the average dividend, 6.99 per cent on market value, or 11.95 per cent on the basis of invested capital.⁴

As these figures indicate, the rate of interest in Japan is high in comparison with other industrial countries. The monthly average of the discount rate in the United States was only 4.24 per cent⁵ in 1926. The rate in England was about the same as in the United States, averaging 4.45 per

¹ Department of Finance, Japan, *Kinyujijyo Sankosho* (Statistical Annual of Money and Banking), 1926, p. 23.

² The discount rate in Tokio for January to November, 1926. Cf. *Federal Reserve Bulletin*, February, 1927, p. 123.

³ Japan Hypothec Bank, *Shasai Kabuken Rimawari Hyo* (The Yield of Bonds and Shares) average of eight corporations.

⁴ *Ibid.* An average of sixteen banks and forty-eight industrial corporations.

⁵ Commercial paper four to six months' averages of weekly ranges in the New York market as published by the Commercial and Financial Chronicle, *Survey of Current Business*, August, 1927, p. 124.

cent in the same year; and in Germany, was 4.92 per cent. The discount rate in the Netherlands was only 2.83 per cent.¹ and even in countries like Austria and Hungary, where the monetary system is crippled, the discount rate in 1926 did not exceed 6.92 per cent and 9.44 per cent for Austria and Hungary respectively.²

CAUSES OF THE HIGH RATE OF INTEREST IN JAPAN

There are a number of causes contributing to the high rate of interest. A relatively small surplus of national income, and the waste of capital may be considered primary causes. The absorption of a large amount of capital in other than industrial enterprises and the outflow of a certain amount of capital to Oriental countries for the expansion of Japanese owned industries such as mining and transportation in Manchuria, and the cotton mills in Shanghai or rubber plantations in Java, etc., drain, to some extent, the industrial capital of Japan.

ANNUAL INCREASE OF NATIONAL CAPITAL

The exact amount added annually to the nation's capital is not known since reliable statistical data for production and consumption are lacking. However, a rough idea may be obtained by examining the balance of trade. Up to 1914 Japan was an importing country, but the World War changed the situation and she became an exporting country, the export excess from 1915 to 1918 amounting to 1,408,046,000 yen. But, beginning with 1919 she became an importing country again. The worldwide economic depression since 1920 and the frequent disturbances in China and heavy importation of building materials for the reconstruction of the earthquake zone in 1923 and

¹ *Federal Reserve Bulletin*, February, 1927, p. 123.

² *Ibid.*, February, 1927, p. 123.

1924 combined to bring about an adverse balance of trade. The import excess in 1924 reached 736,000,000 yen; and in 1925, 267,000,000 yen. The total import excess between 1919 and 1925 amounted to 2,614,455,000 yen which exceeds by 1,206,409,000 yen the export excess during the four years preceding 1919. The export figure of commodities is undervalued by about four per cent.¹ Adjusting the total exports from 1915 to 1925 which amounted to 17,898,806,000 yen, the total import excess as above referred to would be decreased approximately to 490,457,000 yen.

The invisible balance of trade shows an excess of receipts every year since 1913. The only exception was 1915 when there was an excess payment amounting to 161,000,000 yen. The excess of imports of merchandise offset the excess of receipts for the invisible balance of trade, and, as will be seen in the following table, the net balance of trade unfavorable to Japan from 1920 up to 1925 amounted to 1,192,868,000 yen. In other words, no large amount of national surplus, judged by the evidence of foreign trade statistics appears to have been added to Japan during these years.

THE WASTE OF CAPITAL

The loss of property due to natural calamities, such as earthquakes, storms, floods and fire, which frequently visit Japan, damages the economic life of Japan. During the five years between 1920 and 1924, the damage to property caused by natural calamities amounted to 1,543,265,000 yen,² and

¹ The custom declaration for the export value is based on the local market price while the import figure is based on c. i. f. price in most cases. The discrepancy arising out of calculating on a different basis is supposed to be about four to six per cent, according to the opinion of Mr. Meijiyo Hara, Commercial Secretary of the Japanese Embassy, U. S. A.

² The 45th *Teikoku Tokei Nenkan*, 1926, pp. 338-40. The figures include the estimated damages of 180,941,000 yen caused by flood; 2,621,000 yen by tidal waves; 48,551,000 yen by storms; and 1,311,152,000 yen by fire.

TABLE IV

BALANCE OF TRADE OF JAPAN

(in thousand yen)

Year	Commodities		Invisible Balance of Trade		Balance	
	Import Excess	Export Excess	Excess of Receipts	Excess of Payments	Net Excess of Receipts	Net Excess of Payments
1914	4,634			3,000		7,634
1915		175,857	5,000		180,857	
1916		371,040		161,000	210,040	
1917		567,193	71,000		638,193	
1918		293,956	69,000		362,956	
1919	74,587		378,000		303,413	
1920	387,780		195,000			192,780
1921	361,317		124,000			237,317
1922	252,856		26,000			226,856
1923	534,479		384,000			150,479
1924	736,368		407,000			329,368
1925	267,068		211,000			56,068

Note: The invisible balance of trade was published for the first time in 1923 by the Department of Finance, Japan. The data prior to 1923 represent private calculations. Figures for 1914 to 1922 were adopted from the *Economist* (financial magazine, issued in Japan, text in Japanese), July 15, 1926, p. 27. Figures for 1923 to 1925 were adopted from "Quarterly Report of Financial and Economic Conditions in Japan," November, 1926, and a report issued by the Financial Commission of the Japanese Government, New York. For more detailed discussion of this subject see S. Y. Furuya, *Japan's Foreign Exchange and her Balances of International Payments*.

expenses for the repairing and restoring of such damage were estimated at 1,454,493,000 yen,¹ or an average of 290,898,000 yen annually. The greatest loss of property occurred in 1923 when the earthquake in Tokio, Yokohama and their environs destroyed 558,049 houses and partly damaged 136,572 houses. The earthquake damage which occurred in the central part of Japan in March, 1927, is estimated, roughly, at 100,000,000 yen.

In addition to the loss of property, a large percent of capi-

¹ Since the estimate for the repairing and restoring of property loss by fire is not given in the statistics, the same amount of the estimated loss is also included in the figure showing the cost of restoring and repairing.

tal which had been invested in industrial and mining enterprises during the war period was wasted on account of the industrial crisis in 1920 and the subsequent years of readjustment. Many new corporations, which were established without assurance of future marketing possibilities or adequate financial aid collapsed and went to pieces when the gale of panic swept these unstable industries. The large amount of capital decrease and liquidation following 1920 is due to business and industrial failure, and the fact that much capital is invested in idle buildings, machines, and other equipment.

The lack of facilities for investment by small capital holders is another cause, checking the concentration of national capital in the industrial field. The law forbids the issuance of securities under the denomination of fifty yen, or twenty yen when the face value is paid in full. On the other hand, highly developed bond-house systems, such as we see in the United States, are lacking in Japan, and stocks and bonds have not acquired public confidence. The industrial securities have heretofore been considered speculative objects and the public, especially the peasant class which is unfamiliar with finances, have refrained from investing money in the industrial field.

The construction of highways, extension of railway lines, the reclamation of waste land to increase the food supply, these and numbers of similar works are all urgently needed in Japan, as an auxiliary force to help develop national economic life. But, the expansion of every one of these fields absorbs a large sum of money for a number of years before it begins to show results.

FOREIGN INVESTMENT

The total Japanese investment in foreign countries is roughly estimated at about 1,400,000,000 yen of which about one-half is in government loans. The actual amount of in-

vestments seems much larger than this figure, for a report on Japanese investments in China, made by "*Nikka Gytsugyo Kyokai*" (Japan-China Trade Association) says Japan's total investment in China including Manchuria was 2,531,965,000 yen¹ (1925) of which 1,831,965,000 yen belong to private individuals and 700,000,000 yen, to the Government Loan. The largest amount of investment in one branch of industry is in cotton spinning and weaving. Japan controlled 1,321,672 spindles and 8,524 looms in China at the end of 1926.² The total investment in this field in China is said to be 232,850,000 yen.³

Lower wages, less labor trouble, the saving of import duty and the proximity of the market attracted Japanese cotton mill owners to build factories in China, mostly in Shanghai.

The increasing labor legislation in Japan and the quickly developing labor organizations work against the capitalists by checking them from exploiting the workers. This coupled with the proposed increase in the tariff rates in China and India stimulates capitalists to shift potential industrial capital from Japan to those countries. Under these circumstances, we may expect the continuation and the further development of industrial enterprises in China and in India by the Japanese.

The outflow of capital referred to here does not mean the closing down of factories in Japan, but rather the outflow of the liquidated capital. The problem of capital in this case may not be so serious for the laborer as that connected with the loss of markets.

¹ All investments including various enterprises, banking, and raw materials stored in factories, etc., were valued at the current market prices and converted into yen at the rate of 100 yen per 60 taels.

² *Osaka Asahi Shimbun*, April 15, 1927.

³ *New York Shimpō*, May, 1927.

INVESTMENT AND NUMBER OF WORKERS

On account of unsteady economic conditions since 1913, and quick expansion of industries in Japan, the amount of investments differs widely year after year. During the five years between 1915 and 1919, the net capital investment (cash paid in) amounted to 5,539,254,000 yen,¹ but the investment during the following five years between 1920 and 1924 was only 4,044,685,000 yen. The capital investment for the years 1923 and 1924 shows the effect of a widespread economic depression, for the investment in 1923 was only 311,024,000 yen² of which 55,697,000 yen were employed for the industrial field. In 1924, the net investment dropped to 247,978,000 yen and about fifty-eight per cent was employed for industrial expansion. The total investment in 1924 was lower than the total investment in 1916. It must be remembered here that the population during the eight years between 1916 and 1924 had increased by 5,444,000 persons,³ and in order to maintain a normal standard of living, there must be a relative increase of capital employment in industries or in other gainful occupations.

No study has been made of the probable sum of capital necessary to maintain the standard of living of a laborer in Japan.⁴ It differs according to the kind of industry and the

¹ Bank of Japan, *Economic Statistics of Japan for 1925*, p. 54.

² *Ibid.*, pp. 54-55. Decrease in the capital by liquidation and reduction of the paid-up capital was deducted from the total amount of capital called in.

³ The 45th *Teikoku Tokei Nenkan*, 1926.

⁴ The sum total of capital investment in industries divided by numbers of workers employed, will give the amount of capital employed per worker. Unfortunately, available statistical data on capital investment in Japan show the sum total of capital invested in partnerships and corporations only, and capital employed in private ownership is not included. Data showing the number of workers represent the total number of laborers in shops and factories where more than five persons are employed, irrespective of the type of ownership. Since these items of information

scale of industrial organization. Certain industries such as foundries, manufacturies of machines and tools, or electrical and gas works require a relatively large amount of capital to the number of workers employed. The amount of capital investment per capita worker in these industries is much larger than that of raw silk reeling or the manufacturing of porcelain.

Japanese industry is facing the problem of reorganization on the basis of efficiency which necessitates the installment of machinery and the building of better plants. It is obvious, therefore, that the more Japanese industries develop, the more capital will be required per worker. Naturally, the entrepreneur will seek a financial market where he can get capital at a lower rate of interest to keep down the cost of production.

CAPITAL SUPPLY FROM FOREIGN SOURCES

In order to get the advantage of lower rates of interest, there is an increasing demand on the part of Japanese financiers to get industrial capital from foreign sources. Formerly, foreign loans were limited to national, municipal or government guaranteed semi-official loans. Private foreign loans have not been attempted. But, the recent expansion of the electrical industry and its promising future attracted foreign investors. Beginning with the loan of 3,000,000 dollars in New York to the Tokio Electric Light Company in 1923, the private loans for the electrical industry had reached 47,000,000 dollars, by September, 1925. In 1924 and 1925, the private industrial loans in the London market had reached 7,425,000 pounds. According to the report made by the Japanese Department of Finance, the total foreign loans and foreign capital invested in Japan was 1,987,105,482 yen in 1925, consisting of national loans amounting to 1,500,215,- are not comparable, no figure indicating the amount of capital employed per worker is obtainable. Furthermore, the standard of living itself is not determined in Japan.

493 yen; municipal loans, 124,627,429 yen; private loans; 331,557, 035 yen; national interior loans held abroad, 8,713,000 yen; and estimated investment by foreigners in Japan, 21,993,000 yen.¹

The necessity of inviting foreign capital brings up the problem of labor policies. Unless the stability of industrial relations and the continuity of work are assured, cheap capital will not flow in. Controversy between Japanese laborers and management in the hands of foreigners might arise from the investment by foreigners in Japanese industries. The industrial relations which heretofore have been concerned with a race homogeneous in feeling and in traditions, may be changed by the introduction of foreign elements. But, the situation has not developed yet and any discussion in this field must be deferred.

RATE OF INTEREST AND LABOR

The high rate of interest, by affecting the cost of production, works against the welfare of the laboring class. Not only does it discourage the expansion of industries and new enterprises, thereby limiting the capacity of labor employment, but it places the worker at a disadvantage. The effort on the part of employers to utilize the invested capital with the utmost efficiency often results in longer hours of work and night work. An attempt to reduce the cost of production in the face of keen competition in domestic and foreign markets induces the employer to keep wages down, or enforce bad labor conditions, for neither raw materials nor capital can be obtained cheaper than the market prices. In industries where workers are not well organized and the union's power is weak, the employer seeks and succeeds in reducing the cost of production at the expense of the welfare of the working class.

DIVIDEND RATE AND LABOR

Japanese corporations declare relatively high dividends.

¹ Department of Finance, *Kinyujijo Sankosho*, 1926, p. 29.

It is claimed that the investment in industrial fields is associated with risk, and in order to attract capital a dividend equal to or something higher than the prevailing rate of interest is necessary. This is, of course, not the sole explanation of the high dividends in Japan, but it seems to be one of the main reasons. Investors expect dividends at every fiscal term. The corporation, on account of the lack of a public accountant system, public census, and proper legislation, practices declaring dividends out of capital to satisfy investors.

The dividends for the second half (six months) of 1926 ranged from 0.9 per cent in the steel industry to 16.2 per cent in the paper manufacturing industry. The average was 11.2 per cent. In the same fiscal period the cotton spinning and weaving industry declared dividends averaging 14.9 per cent; the woolen industry, 10.1 per cent; the raw silk, 8.1 per cent; the sugar refinery, 9.8 per cent; the ceramic, 15.0 per cent; the electrical industry, 15.0 per cent; and the ship building, machine and tool averaged 6.2 per cent.¹ It is to be noted that 1926 was still counted as a year of industrial depression.

The actual amount of cash to be paid out in the form of dividends in Japan is much larger than the rate suggests to the American public. Unlike the practice in the United States, corporate financing in Japan is mostly done through the issuance of common stocks, all sharing equally in dividends.

The dividend rate in Japan leaves an impression on the observer that it is too high even in comparison with the prevailing interest rate, and laborers have reason to demand from the capitalists better pay and general improvement of labor conditions. So far, however, the problem of dividends has not figured as one of the causes of industrial disputes.

¹ *Toyo Keizai Nenkan* (The Oriental Economic Year Book), 1927, pp. 65-67.

CHAPTER IV

INDUSTRIAL ORGANIZATION AND MARKETING

HIGHER productivity results as much from the harmony of the application of efficient machinery, proper arrangement of plant and equipment, good raw materials, and high efficiency of motive power as from skilled workmanship. All affect productivity by reacting one on another.

Industrial organization in Japan has made remarkable progress during the last fifty years since production started on the modern industrial system, but it is not an easy task for Japan to keep up in industrial progress with the Western countries, being handicapped by an insufficient supply of raw materials and of capital. Most industries in Japan, excepting a few branches such as cotton spinning and weaving, ship building, iron and steel, and newly developed electrical industries, are carried on on a small scale and lack sufficient machinery, to say nothing of the lack of efficient arrangement and management of the equipment and factories.

One of the criteria by which to judge the efficiency or inefficiency of industrial organization is the cost of production. If the cost of production were calculated throughout the world on a similar basis and a uniform method the industrial organization in one country could be compared in efficiency or inefficiency with that of other countries. But, the present methods of computing the cost of production are not identical in any two countries, or even in establishments in the same industry within one country. Some corporations calculate the cost of production on the basis of a conventional system of raw material, labor cost, rent, and interest; whereas, others

go still further and include the cost of depreciation of plant and machinery, which is written off at each fiscal term and is added to the cost of production. The difficulty of comparison is not only limited to the differences in items, but includes such differences as arise out of the unequal grades of raw materials consumed, the number of horse-power applied, and the quality of labor expended. These disturbing factors become greater and more conspicuous in international comparison, and makes it seem almost impossible to carry out comparisons successfully. Data on the cost of production are generally secretly guarded by each factory, rendering it impossible to obtain accurate information. The failure of the attempted investigation by the United States of the cost of production in foreign countries in connection with tariff problems is mainly due to this difficulty in obtaining the facts of the cost of production.

Since reliable statistics on production are lacking in Japan, the only sources of data reflecting light upon the productivity of labor are a few independent studies in specified industries.

A report made in 1921 by the United States Tariff Commission on "Japanese Cotton Industry and Trade" serves to depict the productivity of labor in the cotton industry in Japan in comparison with that of the United States. The higher productivity of the laborer in cotton mills in the United States is compared with the productivity of spinners and weavers in Japan in the following table. The figures are based on data collected in 1920.

Analyzing the report, Prof. Taussig says :

Money wages in Japan are much lower. Japanese weavers, for example, get one-fifth to one-sixth of what American weavers get. But so much greater is the effectiveness of labor and capital in the United States that the weaving cost (money expense) per yard of cloth is three-eighths of a cent (0.375)

TABLE V

THE PRODUCTIVITY OF LABOR IN COTTON MILLS IN THE UNITED STATES
AND JAPAN IN 1920

Country	Output per Day				Operating Capacity	
	Per Spinner	Per Weaver			Per Operator	
	20 counts	Plain	Automatic		Spindle	Loom
	yarn in pounds	Loom Yds.	Loom Yds.		Plain	Automatic
Japan	104	145			240 (b) 2	
America	414	450	1,100	(a) 1,000	(c) 8-10	20

This table is based on figures appearing in Prof. Taussig's article on "Labor Cost in the United States Compared with Costs Elsewhere," *Quarterly Journal of Economics*, vol. 39, 1924-25, pp. 96-114.

Note: (a) With some assistance from one or more doffers.

(b) In 1924 there were in Japan 377,392 looms for the weaving of cotton fabrics, 146,593 of which were hand looms.

(c) In some factories where lower grades of fabrics are manufactured, a weaver can operate as many as forty to forty-five automatic looms. Draper Company, Hopedale, Mass., U. S. A., manufacturer of automatic looms, claims that the maximum efficiency is sixty looms per operator.

in Japanese mills, while it costs about one-quarter of a cent (0.270) in American mills, on automatic looms. Wages for spinning twenty-count yarn were 8.7 cents in Japan and 11.2 cents in the United States. . . . The final cost figure in this case was higher for the United States, wages having been lower in Japan in greater proportion than the lower effectiveness of the laborer. If account had been taken of the poorer quality of Japanese yarn, the effective money price—the competitive position in the market—would have been the same for the two products.

The cotton industry is considered one of Japan's best developed industries in the modern system. The application of high-grade labor-saving devices, large-scale production, and the adoption of scientific management have achieved for the cotton industry the largest and the most representative place in Japan. Comparing the productivity of labor in this indus-

try with that in the United States, one may take it for granted that there is much room yet for the application of more efficient machinery in the cotton industry in Japan, or one may too hastily conclude that the industrial life of Japan may show revolutionary progress within a short period through the application of more efficient labor-saving devices. The installation of new machinery, however, is possible only when wages are relatively higher. In a country where labor is secured at low wages the discarding of old machinery and the installation of improved labor-saving devices at a high cost may increase rather than reduce the cost of production.

The importance of the application of efficient machinery to industry is gradually drawing the attention of entrepreneurs. Industrial organization in Japan is fast changing from a small scale and hand working condition to a large scale organization employing efficient machines. The annual importation of machines and accessories amounted to an annual average of 113,844,000 yen for the ten years between 1915 and 1924. It is to be noted, however, that the machines purchased by the Japanese are very often not the newest or of the best kind, partly because of a lack of sufficient capital to invest in new machines. Moreover, an extensive domestic market with strong purchasing power such as we see in the United States is lacking in Japan. To make it worse, the division of consumption at home and abroad, the details of which will be discussed later in this chapter, narrows the market more than at first appears to be the case.

Much less motive power is used in Japan than in the United States as will be seen in the comparison of motive power per factory and per worker. There were 49,161 establishments¹ in Japan in 1925 and 38,221 or 78.0 per cent were equipped

¹ Investigation covers factories where more than five persons are employed.

with motive power¹ aggregating 3,794,881 horsepower.² The average horsepower per establishment was 99.7. This is a great improvement over the year 1914 when only forty-five per cent of the factories had been equipped with motive power of 1,289,053 horsepower, or 83.3 h. p. per establishment. But, when comparing Japan with the United States, no one can fail to notice the great difference of power consumed by these two countries. The average horsepower per establishment in the United States in 1914 was 190.7³ which is twice as much as that of Japan.

The amount of capital investment indicates that industrial organization in Japan is still carried out on a small scale. In 1924, the total capital investment and reserve funds in 13,251 industrial corporations and partnerships were 4,685,405,000 yen⁴ or an average of 353,588 yen per establishment. The average capital investment (reserve fund included) per establishment of incorporated bodies alone was 617,925 yen in the same year.

The annual aggregate production of national industry and the per capita share of laborers indicate to some extent the position of the industrial organization in any given country. According to the report made by the Minister of Agriculture and Commerce, the total amount of industrial production in 1925 for factories employing more than five workers was estimated at 7,029,658,854⁵ yen. The number of workers in factories employing more than five persons was 1,808,-

¹ Motive power includes rented electric power.

² The figure does not include motive power for 161 factories, the investigation of which was impossible. Cf. Section of Statistics, Ministry of Commerce and Industry, *op. cit.*, p. 4.

³ The figure is based on the data given in *Statistical Abstract of the United States*, 1925, p. 186.

⁴ The 45th *Teikoku Tokei Nenkan*, 1926, p. 186.

⁵ Section Statistics, Secretary's Office, Minister of Agriculture and Commerce, *op. cit.*, p. 7.

381 at the end of 1925.¹ The average annual production per worker was, therefore, 3,887.26 yen.

International economic competition is becoming keener year by year, and so the attainment of financial strength and the lower cost of production are vitally important to Japanese industries. There is a movement, though feeble as yet, toward industrial cooperation² and amalgamation.³ There is also a movement for mass production and elimination of waste by means of standardization, undoubtedly due to the influence of the American industrial organization and practice.

How far mass production can be extended to bring forth products at the lowest possible cost varies with the kind of industry and the problems associated with production, such as the control of the supply of raw materials, financing of stock on hand, and marketability of the output.

Mass production, which is most extensively developed in the United States, is due to an abundant supply of power and raw materials within the borders of the country. Moreover, there is an extensive domestic market with large purchasing power. Instalment payments are credited with having

¹ Section Statistics, Secretary's Office, Minister of Agriculture and Commerce, *op. cit.*, p. 3.

² To encourage and aid the export trade of Japan, the government passed a law authorizing Exporters' Associations to get financial aid from the government for the purchase of machines which will help exporters in general, such as machines for use in cooperative packing, inspection, market investigation, etc. See Exporters' Association Law, 1925. In the same year the Manufacturers' Guild Law was promulgated in order to encourage, through cooperative work, the improvement of export merchandise and to work toward the development of industries manufacturing export merchandise.

³ The Japanese government was interested in the development of the iron industry and it fostered in 1925 the amalgamation of small iron foundries into a large unit, but the plan did not materialize except in reaching a general agreement for the cooperative purchase of raw materials.

helped by enlarging the purchasing power of the American public, but this plan has been successfully carried out only because of the cheap capital obtainable in the United States and as a result of continued prosperity. The creation of demand through advertising is common in the United States, and it is effectively carried out because of the existence of the potential ability of the public to absorb the products. In other words, there is an equilibrium between mass production and mass consumption.

The domestic market in Japan is of little help to industries manufacturing articles for export purposes, due not so much to the lower purchasing power as to the total absence of demand, on account of the different mode of living prevailing in Japan. The lack of a domestic market as is described later in this chapter is a great handicap in reorganizing Japanese industries on the mass-production basis.

The dependence of national life on foreign markets is a factor limiting the standardization of designs, shapes and makes, for standardization cannot be carried out unless there is cooperation on the part of consumers in the importing countries. Consumers' demands vary in different countries, and in the face of the presence of keen competition in international markets, no one country alone can control the demand for export unless the market is monopolized.

These factors limiting the standardization and simplification by no means imply the absolute impossibility of standardization and the elimination of waste. The necessity of developing research in this field led the government in 1921 to appoint a committee ¹ to investigate and report on the possibility of adopting standardization in industrial products, and up to 1926 fifty-four cases for the simplification and standardiza-

¹ Japanese Engineering Standards Committee, Bureau of Industry, Department of Commerce and Industry, Japan, *Outline of Engineering Standardization in Japan*, March, 1926.

tion had been recommended by the committee. An announcement was made on October 26, 1926, that the standardization would be carried out in reference to twenty-seven kinds of goods for industrial use ordered to be manufactured by the government. This principle, however, has not yet been applied generally by private concerns.

THE DOMESTIC MARKET

The domestic market in Japan, with over 60,000,000 population, though its purchasing power is somewhat limited, certainly opens a vast channel through which industrial products may be absorbed. The mode of living in Japan¹ is fast approaching that of the West, but there is still a radical difference in the habits of daily life. Most of the Japanese are clad in kimonos which are made of silk fabrics or cotton, fourteen inches in width, instead of the wider widths prevailing in the Western countries. Designs and colors are adapted to Japanese taste. When Japanese are dressed in kimonos, their stockings and shoes are also exclusively of the Japanese type. As the dress and house in Japan differ from those in the West, so also does the table service. Japanese chinaware is well known in foreign countries, and tea pots, dinner sets, etc. are exported in great quantities to every part of the world, but these are manufactured for export purposes and not used in Japanese homes.

These differences which have been mentioned are but a few of many. They are described by Western travelers simply as "different customs prevailing in the Far East," but the different mode of living and the different consumption of commodities have far-reaching effects upon the industrial and commercial situation in Japan which the casual traveler does not see.

An analysis of the Japanese export trade reveals that nearly

¹ Cf. *infra*, ch. viii.

thirty per cent of the annual export consists of fancy goods which are subject to changes in shape, color and design, so that often the fashion of one year is without value the next year.

Of course, there are numerous industries which manufacture commodities consumable in both domestic and foreign markets. Raw silk, cotton yarns, tea, camphor, drugs, paper, matches, straw braid, etc., belong to this class, but most of them are specially fabricated either for the domestic market or for foreign markets, differing decidedly in make or taste or in both.

This division of the market deprives an industry of the distribution of risk, minimizing the stability of industrial activity. If products can command markets both at home and abroad, the effect of industrial depression can be minimized by turning to an unaffected market until such time as the industry adapts itself to the newly developed situation, while industries depending on a home market alone would collapse quickly when demand is diminished by general economic depression, or by the appearance of substitutes, or by a change of fashion. In some countries the danger of overproduction is avoided by the practice of "dumping," but such is not possible in many branches of Japanese industries, for the success of "dumping" largely depends on the existence of stable or wide domestic markets.

THE FOREIGN MARKET

A foreign market is usually exposed to danger either from the competition of other exporting countries or from the development of a similar industry within the importing country. The trend toward protective commercial policies and high tariff walls to help domestic industries grow has been so great since the World War that the industries depending upon foreign markets alone are exposed to serious danger. If, how-

ever, the nature of the products of an exporting country is such as to prohibit their production in other countries, either by reason of climatic conditions, monopoly of raw materials, or the excessively high cost of production, industries producing these products are within the safety zone; but, still, the modern development of science is invading what once nature had forbidden. Examples of such cases are not lacking. Japan produces natural camphor, and almost ninety-five per cent of the world production is turned out in Japan. This monopoly of the world market was recently invaded by the development of the manufacture of synthetic camphor in Germany. Another example is found in raw silk. Japan, by producing seventy-five per cent of the world production dominates the world market at present, but the production of rayon (artificial silk) has made such remarkable progress within the last ten years that it is now considered, even by the most optimistic group, a strong competitor of natural silk, tending to depress the price, if not actually affecting the demand. When rayon first appeared on the market, manufacturers as well as dealers expressed the opinion that artificial silk and natural silk had each its own field of consumption, and that neither one of them would injure the other; that on the contrary, the prosperity of the one would inevitably stimulate the demand for the other, and both would find a greater market. Such optimism was later overturned. Artificial silk is a chemical product, and the quality of ten years ago does not compare with the quality of today. Such a great improvement has been made in quality that today although the demand for natural silk has not decreased, it shows no such expansion as rayon does. It is generally supposed that a large percent of the potential demand for natural silk shifted to artificial silk. The development of rayon affected not only the demand, but also the price of silk.

Natural silk¹ fluctuates extensively, partly because of the difficulty of adjusting the production of cocoons to the demand for raw silk, but the production of rayon is steady, and can easily be controlled. Therefore it maintains a steady market price. This steadiness of the price of rayon checks the price of natural silk from rising beyond a certain point, otherwise the demand would shift to rayon.

INDUSTRIAL DEVELOPMENT IN ORIENTAL MARKETS

The development of similar industries in importing countries and the protective commercial policy of the present day invite serious consideration.

One tariff revision which would affect seriously Japanese industries is that of the proposed tariff autonomy in China and the increase of the surtax. Although the Peking Tariff Conference which met on October 26, 1925, adjourned without leaving to China any of the coveted reforms, yet the Chinese proposals which were made public at the Tariff Conference clearly indicate Chinese aspirations.

At the opening session of the Custom Tariff Conference, Dr. C. T. Wang, a Chinese delegate officially presented the following demands to the delegates at the conference:

1. The participating powers formally declare to the government of the Republic of China their respect for its tariff autonomy and agree to the removal of all the tariff restrictions contained in existing treaties.
2. The government of the Republic of China agrees to the abolition of *likin* (internal transit duty) simultaneously with the enforcement of the Chinese National Tariff Law which shall take effect not later than the 1st day of January in the 18th year of the Republic of China (1929).

¹ The price of natural silk at Yokohama was quoted at 104 yen per 100 *kin* in 1913; 444 yen in 1920; 228 yen in 1923; and 156 yen in December, 1926. One *kin* equals one and one-third pounds.

3. Previous to the enforcement of the Chinese National Tariff Law, an interim surtax of five per cent on ordinary goods, thirty per cent on *A* grade luxuries (namely, wine and tobacco) and two per cent on *B* grade luxuries shall be levied in addition to the present customs tariff of five per cent *ad valorem*.
4. The collection of the above mentioned interim surtaxes shall begin three months from the date of signature.
5. The decisions relative to the above four articles shall be carried into effect from the date of signature.¹

The conference recognized the principle of Custom Autonomy for China, but no power was willing to grant China the levying of surtax of five per cent *ad valorem*. As for Japan, she was willing to accept a surtax of only two and one-half per cent on ordinary goods, which is in accord with the agreement of the Washington Conference. It may seem that there is not much difference between the Chinese demand for five per cent surtax and the two and one-half per cent Japanese basis, but in reality, it is believed that the former would inflict a great injury on the Japanese export trade to China. In 1925, Japan's exports to China amounted to 468,000,000 yen or twenty per cent of the total exports. Most of the articles exported to Chinese markets are semi-finished goods, such as cotton yarn and cotton cloths, fish, lumber, etc. Finished goods such as matches, porcelain, paper, machines and metal products did not exceed seventeen per cent. Generally speaking, low-priced semi-manufactured articles have less capacity to bear the increased tariff than high-priced manufactured goods. Accordingly, the five per cent surtax in addition to the present tariff rate of five per cent *ad valorem* is regarded as detrimental to Japanese industries, especially in view of the fact that her industrial organization at present

¹ Quoted from *Osaka Mainichi Shimbun*.

is not developed on an efficiency basis. The achievement of customs autonomy and a high tariff rate would help Chinese industries to grow.

Another country which presents a serious problem to Japan in connection with the tariff is British India. Since 1925, Indian cotton spinners and weavers have been contemplating the checking of the importation of cotton yarns and fabrics from Japan in order to develop the same industry in India. The plan was partly accomplished in 1926, when the Indian government suspended the excise duty on cotton goods. It is now reported that the Second Tariff Commission has definitely decided to recommend that the government increase the import duties on cotton goods by a uniform rate of four per cent, that is nine per cent on cotton yarn, and fifteen per cent on cotton cloths. It is simply a report and it may not be adopted, but the problem to be considered here is the trend toward the higher tariff rates in these countries whose industrial activities are newly assuming importance. These developments in China and India cannot come to pass without affecting Japanese industries, and consequently, the welfare of the laboring class. Both higher tariffs and the development of industries in importing countries may suppress the demand, or possibly tend to lower the market prices. Japan is confronted, therefore, with the problem of adjusting herself to a new situation, which will inevitably develop in the near future. It is a generally accepted theory that the only possible way for Japan to meet the new situation is to transform the present industrial system from one manufacturing semi-finished articles into one manufacturing more high-class finished goods, so that a division of manufactures may take place between Japan and new industrial countries like China and India.

PROBLEMS RELATED TO MARKETING

The marketing of Japanese goods involves serious problems associated with the welfare of the laboring class. If the price declines on account of the competition in foreign markets, the wage rate, other things being equal, tends to be lowered; and, if the demand declines on account of a change of fashion or the substitution of some other articles, the employers as well as the laborers have to suffer—the former from the loss of capital, and the latter from possible unemployment. Adjustment to a changed situation is much easier when an industry is relatively undeveloped, and manufacturing is carried on on a small scale. Furthermore, where demand often shifts, and there is great instability of prices, an industry cannot develop to a large-scale factory system. When industrial organization is developed to the stage where adjustability is not easy, the fluctuation of prices first affects wages provided the margin of profit is small or none, and labor organization is weak or non-existent in that industry.

A typical example of the decline of wages as a result of price fluctuation is to be found in the raw silk industry. The price of silk per one hundred kin ($133\frac{1}{3}$ pounds) was quoted at 196.50 yen on the Yokohama Commodity Exchange in January, 1926. The over-supply of silk in the American market and the recovery of the yen in value in exchange since the spring of 1926, affected the price of raw silk, and it began to decline after March, until in December, 1926, the price was quoted at 148.70 yen¹ or a decline of 20.76 per cent during one year. The silk industry is not organized on an efficient basis. The application of machinery is lacking. Out of a total of 540,199 reeling basins in 1923, about forty-nine per cent were "sedentary reeling," a process practiced since olden times. The raw silk industry

¹ *Toyo Keizai Shimpo*, March, 1927.

in Japan is still carried on on a small scale except in a few establishments. There were 322,725 workers employed in 3,263 factories, an average of ninety-two persons, whereas, in the cotton-spinning industry, the average of workers employed per factory was 1,100 persons. Because of this lack of efficiency in industrial organization and the relatively small profit (the profit for the raw silk industry in 1925 was 16.8 per cent while the profit for cotton spinning and weaving was 22 per cent), the silk industry could not entirely shift the effects of this decline in prices to elements other than wages.

The decline of prices of raw silk caused a wage reduction. The wage index for raw silk reelers in January, 1926, was 104.9 (taking the last half of 1920 as 100), but it declined to 77.7 in December of the same year. During the same period the wage index for cotton spinners had risen from 95.5 to 98.2; for printers, from 101.7 to 105.2. There was in general a slight increase of wages in other industries.¹ The shifting of the burden to wages is relatively easy in the raw silk industry where operatives are mostly young girls who are unorganized.

JAPANESE INDUSTRIAL SITUATION AND THE NEW WAGE THEORY

The relation of the Japanese industrial situation to export markets has a bearing upon the wage theory which was brought forward by the American Federation of Labor and is now widely accepted in the United States. This theory maintains that higher wages increase the purchasing power of the public, and the resulting greater demand in turn brings in industrial prosperity. This theory presupposes that a large percent of the output of the national industry is consumed in the domestic market and the existence of a large wage-earning class. Both of these conditions are lacking in Japan.

¹ *Toyo Keizai Shimpo*, March, 1927.

The sharp line of division between articles entering into consumption in Japan and articles exported has already been referred to. The wage-earning class (industries, mines, transportations) in Japan is only one-fifteenth of the total population. This being the case, high wages will not bring in the general prosperity of industrial life. On the contrary, the high cost of living as the result of high purchasing power may injure the export trade. It was essentially the foreign demand for Japanese goods which ushered in prosperity in Japan. Judging from the peculiar economic characteristics of Japan, it seems that the increase of wages in Japan does not immediately help the growth of national industry in a similar manner or in the same magnitude as it does in the United States or in some European countries.

BUSINESS POLICY OF JAPANESE EXPORTERS

The modern economic system is one of money economy. The production of goods does not complete the work of the manufacturing industry unless the goods are disposed of and money is realized from them. Marketing finally controls the profit or the loss of the entrepreneur, and his success or failure in turn determines his potential capacity and the elasticity of the employment of production elements. Thus, the efficiency or the inefficiency of a sales policy has a deep and significant relation to the welfare of the laboring class.

One of the defects of the sales policies of the Japanese is said to be the forcing down of the market price by their competition in foreign markets. Japanese goods are placed on the market at one price, and before dealers can sell off the stock, or before the products made of it are disposed of, a second and third lot are offered in the same market by the same person or by his competitor at a much lower price than the first. The importer and the manufacturer using the first purchased material are placed in an embarrassing situation

and the price has to be cut down at the sacrifice of profit, or even at a loss. The price curve of Japanese articles shows a sharp downward trend. This is especially significant in novelty goods.

Cut-price competition not only affects the elements of production but it causes the demand to shift to other articles which yield more profit to the dealers, and involve fewer risks from price fluctuation. Business is not based on the principle of service, but upon chances for profit. The dealer will search for some substitutes which assure him stability of market and higher profit. This is possible since the creation of demand does not arise from the free choice of consumers, but rather by the policy of the manufacturers and dealers. The fluctuation of prices and diminishing demand are, of course, a great injury to the industry itself, but the interest of workers is also injured, for wages and better labor conditions are, in the final analysis, subject to the prosperity of the industry in which laborers work and earn bread.

CHAPTER V

AGRARIAN MOVEMENT AND FOOD PROBLEM

Viewing the economic life of the nation from the standpoint of production, foreign trade and capital investment, Japan is rapidly developing into an industrial country; but, measuring economic life in terms of the occupations of her population, Japan still remains an agricultural country. The total number of households engaged in agriculture was 5,548,599 in 1925, or about forty-six per cent of the total number of families.¹

Agricultural life in Japan reveals striking features in comparison with that of the United States, or even with that of some European countries. The acreage of cultivation and ownership, the farm income and living conditions are so decidedly different, that it is not an easy task to drive into the Western mind, the real economic condition of the peasant class. An understanding of agrarian life in Japan is a prerequisite to grasping the real meaning of the agrarian movement in Japan and its relationship to the labor movement. On the other hand, the status of agriculture involves the problem of food supply and its effect upon the cost of living, and is thereby closely related to the welfare of the laboring class.

PRINCIPAL AGRICULTURAL COMMODITIES

Japan with fertile land, and favorable climatic conditions, produces almost every kind of farm produce to be found in a similar latitude anywhere in the world. The principal crops

¹ Total number of families in 1925 is reported at 11,999,609.

are rice, barley, wheat, buckwheat, corn, potatoes and beans. Rice is the staple farm product and nearly one-half of the total cultivated land is utilized for growing rice. Wheat and barley occupy about thirty per cent of the arable land. It will be seen, therefore, that the agricultural problem in Japan largely concerns the success or the failure of the rice crop, and the food problem in Japan is the problem of rice.

The total acreage of arable land in Japan was 14,864,186 acres in 1925 ¹ of which fifty-one per cent was occupied by paddy fields. ² The rest was dry land. Both paddy fields and dry lands are divided into small areas of from one-quarter to one-half acre in extent. They are bordered by a narrow strip of land one or two feet wide to differentiate ownership.

PRODUCTIVITY OF LAND

The land is so intensively cultivated, that before the rice is finally harvested, the farmer removes weeds several times under the blazing sun, fertilizing and keeping the land flooded with one or two inches of water until the plants yield the rice, and then the land is dried up before the harvesting begins. After the harvest is over, farmers plow fields for sowing barley and wheat. Throughout the winter, they are busy fertilizing land, and in the spring, they weed out the grasses and pile up earth around the roots of barley and wheat so as to prevent them from falling. All this work is done, mostly by hand, and very little farm machinery is used.

On account of the intensive cultivation, coupled with the wide prevalence of improved methods of farming and the application of more and proper fertilizers, the production of agricultural products has greatly increased in the last score

¹ Section of Statistics, Ministry of Agriculture and Forestry, Japan, *op. cit.*, p. 1.

² A paddy field is swamp land used for the growing of rice.

of years. In comparing the five years' average production between the period 1899 to 1903, and 1919 to 1923, the productivity of the rice fields, is seen to have increased by twenty-seven per cent; barley and wheat, thirty-one per cent.

A comparison of the productivity of rice and wheat fields in the twenty-year period shows a fairly large increase, but closer investigation of the per acre productivity in the last ten years ending 1925, will give a more accurate notion of the trend of agricultural productivity. The production of rice in 1915 was reported to be 38.23 bushels per acre. It increased to 42.25 bushels in 1920, but again decreased to 39.55 bushels in 1925, showing an increase of only 3.4 per cent in comparison with the production in 1915. The production of barley, naked barley and wheat inclusive, was 27.28 bushels per acre in 1916. The highest production was recorded in 1925 when the production increased to 32.17 bushels per acre, showing an increase of 14.8 per cent as compared with the production in 1916.¹

Amid these varying productivity figures, one cannot fail to notice that the per acre productivity of the rice fields has remained unchanged in the last ten years, while that of barley and wheat shows a slight increase only in 1925 and 1926. The whole picture suggests that the productivity of rice and other cereal fields has already reached the saturation point, and unless some revolutionary change takes place in the method of cultivation, or in agricultural methods, there seems no assurance of the further increase of production to an appreciable degree.

While the production of rice and other cereals remains unchanged, the consumption shows a steady increase. Not only did the per capita annual consumption of rice rise from 4.75 bushels in the period between 1893 and 1897 to 5.65

¹ *The Statistical Abstract of the Ministry of Agriculture and Forestry*, 1925, pp. 4-5.

bushels for the period 1914 to 1919,¹ but Japan adds 900,000 rice-eating mouths to her population each year. Taking the five year average between 1919 and 1923 as a basis of comparison, the production of rice, barley and wheat, inclusive, increased 1.8 per cent or about 3,836,000 bushels, as compared with the average production from 1914 to 1918;² Meanwhile the population increased by 5.2 per cent,³ and the probable consumption of these cereals increased by 18,144,000 bushels⁴ during the same period.

The decrease of production is due not only to the arrested condition of per acre productivity, but also to the relatively small increase of arable land. The arable land in 1925 was reported at 14,354,966 acres.⁵ This is only 15.6 per cent of the total geographical area. Hills and mountains occupy a large percent of the land and there is little waste land, easy for reclamation, left untouched, excepting part of the island Hokkaido; and the reclamation of any land at present requires a huge capital investment which the government alone can handle.⁶ Such being the situation, the arable land still totals

¹ Information Bureau, Department of Foreign Affairs, Japan, *Hompo Shokuryo Mondai* (Food Problem in Japan), 1925, p. 6. The consumption of rice had increased as the result of a higher standard of living. People who had consumed barley substituted in part or in whole the use of rice.

² The 45th *Teikoku Toki Nenkan*, 1926, pp. 78-79.

³ The actual increase of population during this period was 3,024,025.

⁴ On the arbitrary basis of six bushels per capita.

⁵ The Section of Statistics, Ministry of Agriculture and Forestry, *op. cit.*, p. 3.

⁶ In the face of increasing importation of food stuffs, the Japanese government has often contemplated, by financial aid, increasing the production of rice and other farm products within the territory of Japan. It is claimed that the extensive application of more improved methods of farming, in addition to the reclamation of the waste land will raise the annual crop of rice to 430,000,000 bushels. The government of Chosen announced in 1925 that they would invest 343,000,000 yen during

in 1925 only 14,864,186 acres showing that 3.5 per cent has been added in the last ten years. Thus, the arrested condition of the productivity of the farms on the one hand and the limited arable land on the other, offer proof that an increased supply of farm products in Japan is hardly possible.

THE IMPORTATION OF RICE INTO JAPAN

The disharmony between the production and the consumption of farm products resulted in the increased shortage of food stuffs, and Japan had to fill this gap by importing a large quantity of food. The annual importation of rice varies from year to year, according to the crop conditions in Japan. The average importation of rice for five years between 1918 and 1922 was 16,841,000 bushels, worth 61,276,000 yen. In 1923, it dropped to one-half that amount on account of the large crop in the preceding year. In 1924 the importation again rose to 17,020,000 bushels worth 70,886,000 yen, reflecting the crop failure in 1923. The rice importation further increased showing 120,499,182 yen, in 1925.¹

THE DISTRIBUTION OF LAND BY CULTIVATION AND OWNERSHIP

The total value of agricultural products in 1924 was estimated at 3,257,263,841 yen of which rice made up sixty-eight per cent and wheat and barley eight per cent. Thus rice, wheat and barley made up seventy-six per cent of the farm product total. The rest was distributed among beans, pota-

the next ten years in order to increase the annual crop of rice by 42,000,000 bushels. The program was approved by the Cabinet of Japan, but unfortunately, the plan was voted down by the Parliament in the fifty-first session (1925-1926). When this plan matures, it is claimed, the annual importation of rice can be reduced in the course of time from the present forty million bushels basis to seven or eight million bushels. Cf. *Chugai Shyogyo Shimpo*, October 27, 1925.

¹ The 45th *Teikoku Tokei Nenkan*, 1926, p. 87.

toes, tobacco and several other farm products. In 1924, the total number of peasant families was reported at 5,532,429. Accordingly, the per family production averaged 588 yen. The main income of the peasant class, derived from the production of rice and barley, amounted to 2,469,937,000 yen. Reduced to a per family basis, the production was only 446 yen. Such small production suggests at once the small acreage of cultivation per family, and consequently, the lower economic status of the peasant class.

On account of the shortage of arable land, ninety per cent of the farmers gain their living by cultivating five acres or less. The following table shows the distribution of farmers, according to the acreage of cultivation.

TABLE VI
THE NUMBER OF FARMERS CLASSIFIED ACCORDING TO THE
ACREAGE OF CULTIVATION

Year	Total Number of Families	Under 1.225 Acres	1.225 to 2.45 Acres	2.45 to 5. Acres	5 to 7.45 Acres	7.45 to 12.25 Acres	Over 12.25 Acres
1913	5,443,719	2,002,524	1,816,257	1,079,468	328,529	149,808	67,133
1925	5,548,599	1,951,156	1,877,185	1,185,364	322,850	137,084	74,960
PER CENT							
1913		35.54	33.30	20.70	6.33	2.82	1.31
1925		35.17	33.84	21.36	5.81	2.47	1.35

The 45th *Teikoku Tokei Nenkan*, 1926, p. 78, and the *Statistical Abstract of The Ministry of Agriculture and Forestry*, 1925, p. 2.

A small acreage of land cultivated by each family does by no means indicate that the land is owned by the family. On the contrary, there were 27.68 per cent, or 1,531,177 farm tenants in 1924 and 41.13 per cent, or 2,275,424 farmer's, belonging to a class of part tenants and part proprietors. The number of land owners who cultivate exclusively their own land is only 1,725,828, or 31.19 per cent. No statistical data are available for the number of absentee owners; but,

it is estimated approximately at 969,192, in 1924. Analyzed in this way, we can readily understand that the problem of agriculture in Japan is the problem of tenant farmers.

ECONOMIC STATUS OF THE PEASANT CLASS

Farmers have never been blessed economically. During the feudal period, the peasant class was exploited by feudal lords because agriculture was the only source of national income. After money economics had penetrated and manufacturing industries had developed, the price of farm products became the object of social control and higher prices for rice and barley were discouraged. The peasant class was deprived of the old accustomed domestic industries, and obliged to purchase the articles, they once had made for themselves.¹ Thus, money became the only means of exchange, and the problem for the peasant class was to find the means of getting money. There were three courses open to them: the sale of surplus rice; the employment of surplus time in farm labor in nearby urban districts; and engaging in domestic industries, manufacturing exclusively for exchange.

Although the per acre production of rice is extremely high in comparison with that of other countries, there is not much surplus left for farmers to exchange for money, as the area of cultivation per family is limited. Tenants lose more than one-half of their crop in the form of farm rent. It is a long established and widely practiced custom since the feudal period that farm rent for rice fields be paid in kind. In the

¹ The production of raw cotton ceased long ago on account of the abundant supply at lower prices from India and the United States. Indigo disappeared before the aniline dye stuffs. Spinning and weaving which had been the main domestic industries have disappeared. They were taken over by large-scale machine production. The production of food stuffs belongs to the domain of the peasant class, yet some kinds of food stuffs, such as tea, tobacco, soy sauce, wine, rape-seed oil, paper, mattresses, and even polishing rice are now obtained from the outside.

Western section of Japan, where crops are raised twice (barley in spring and rice in autumn), the rent is partly paid by rice and partly by money. The payment of rent in kind deprives the tenants of power to control the rice market and they are at the mercy of the merchant class.

Farm labor is a source of income, but the demand is unsteady, due to its seasonal character. The application of labor saving devices in farming and harvesting, which seems to be developing of late as the result of tenant disputes, will gradually decrease the demand for farm labor. Furthermore, there is always in Japan a ready supply of farm labor on account of the excessive population.

Perhaps, the largest money income for small farmers, especially for tenants, may come from engaging part time in domestic industries. There are a number of domestic industries, such as the cultivation of silk cocoons, plaiting straw braid, manufacturing paper hats, weaving baskets, polishing glass, etc. Unfortunately, demand for such goods is limited and not all of the farmers can find employment in their production. Since the economic life of Japan largely depends upon foreign trade, most domestic industries partly or wholly exist for manufacturing articles for export purposes. They are either fancy goods, the demand for which is usually varied and whose price fluctuations are extreme; or semi-manufactured goods, the market value of which is relatively low for the labor expended.

Under these unfavorable circumstances the income of the farming class is limited and unstable. The congested living conditions enable them to get in touch with the urban life which incessantly creates new desires. Thus, economically and politically, farmers find themselves in a dilemma between their limited incomes and unquenched desires. The uneasiness and dissatisfaction arising from such situations formed the background of the agrarian movement which began to

assume importance in 1923, and is now regarded as one of the most important economic and social problems in Japan.

The living condition of the peasant class is generally supposed to be the lowest, even lower than that of the urban industrial laborers. But, the tenant has the most unfortunate position, for out of scanty crops, not more than one hundred bushels on the average, fifty to fifty-four bushels are paid to land owners in the form of farm rent.¹

In 1920, the Department of Agriculture and Commerce selected at random one hundred and twenty families of agricultural occupation from forty villages and studied the household economics of land owner, proprietor, and tenant. As will be seen from the table below, the net surplus of land owners of thirty-five acres was only 19.59 yen. The land owner of 5.14 acres, cultivating by himself, had a deficit of 181.63 yen, and the tenant cultivating 3.7 acres had also a deficit of 44.10 yen.

The Department of Agriculture and Commerce conducted another investigation² for a period of one year between March, 1921, and February, 1922. It covered thirty-two proprietors, thirty-five proprietors and tenants, and thirty-five tenant families extending over twenty-one prefectures. The

¹ According to the report made by the Department of Agriculture and Forestry in July, 1925, the farm rent for a one-crop paddy field was 50.2 per cent of the actual crop, and 54 per cent for a two-crop paddy field. The investigation made by the Japan Hypothec Bank in March, 1925, shows that the average farm rent for paddy fields was 27.5 bushels per acre for good farm land, 16.9 bushels for poor farm land and the average was 22.3 bushels. The farm rent for dry land was paid in money. The report shows that the farm rent for good farm land was 26.15 yen and poor farm land, 12.60 yen. The average was 19.19 yen. Cf. *Nippon Rodo Nenkan* (The Labor Year Book of Japan)—hereafter, simply, The Labor Year Book of Japan, 1926, pp. 32-36.

² *The Labor Year Book of Japan*, 1926, p. 38. Bureau of Information, Department of Foreign Affairs, Internal Series No. 4, *Noson Mondai*, May, 1925, p. 5.

TABLE VII

HOUSEHOLD INCOME AND EXPENDITURES OF LAND OWNER, PROPRIETOR
(LAND OWNER AND CULTIVATOR) AND FARM TENANT IN 1920¹

<i>Item</i>	<i>Income</i>		
	<i>Land owner</i> (yen)	<i>Proprietor</i> (yen)	<i>Tenant</i> (yen)
Rent from rice field of 25.16 acres	3,827.68		
Rent from upland of 8.01 acres	298.03		
Income from cultivating 1.78 acres	587.22		
Barley, corn, tea and vegetables	170.07		
Income from forest of 19.45 acres	171.89		
Income from 5.14 acres land for pro- prietor; and 3.7 acres land for tenant.			
Rice		1,122.80	1,003.94
Barley		80.60	64.34
Miscellaneous		272.17	191.72
Income from forest of 1.64 acres		15.27	
Income from farm wages: 56 persons in aggregate			56.24
Total Income	5,054.89	1,490.84	1,316.24
Deficit		181.63	44.10
	5,054.89	1,672.47	1,360.34
<i>Expenditures</i>			
	<i>Land owner</i> <i>Family of 7</i>	<i>Proprietor</i> <i>Family of 7</i>	<i>Tenant</i> <i>Family of 6</i>
Food	787.61	539.05	345.09
Clothing	420.51	157.84	51.54
Shelter, light and fuel	383.46	114.25	44.33
Cost of production:			
Fertilizer and farm implements	185.48	235.87	207.87
Tax and charity	1,326.60	184.92	30.50
School expenses of children	427.12	29.18	-
Social	241.89	-	-
Domestic servants, two persons	326.02	-	-
<i>Sake</i> (a kind of wine made of rice)	129.43	74.50	-
Miscellaneous	807.18	271.47	133.90
Wages for farm labor		65.30	42.81
Farm rent. Paddy field about 72.69 bushels and upland, 27.61 yen	-	-	504.30
Total expenditure	5,035.30	1,672.47	1,360.34
Surplus	19.59		
	5,054.89	1,672.47	1,360.34

¹ Cf. *Kokumin Nenkan*, 1923, pp. 365-66.

report shows that proprietors of 4.9 acres had an average surplus income of 124 yen. The surplus income for a tenant cultivating 2.67 acres was only thirty-five yen.

Such a limited income is not only hard upon the tenant class, but also upon land owners who live on farm rent. According to the investigation made by the Japan Hypothec Bank (*Nippon Kagyo Ginko*), the net yield from farm rent in terms of actual value of land ¹ was about six per cent in 1925. This is not a fair income in comparison with the current rate of interest in Japan where the yield of bonds and stocks amounted to eight per cent in 1925,² and over ten per cent on private loans. If so called land owners in Japan owned hundreds or thousands of acres as do land owners in the United States, the yield of six per cent might bring in a fairly large income to them. Most of the land owners in Japan, however, do not deserve this name for only 4,950 farmers owned farms of more than 125 acres in 1924, or 0.1 per cent of the total farming class. Ninety-one per cent owned less than 7.35 acres.³

The collection of data on the farm income and the cost of living is not an easy thing. In addition, statistical figures are compiled by different authorities on a different basis, and available statistical material presents a great deal of discrepancy. Accordingly, a substantial margin must be allowed before we can accept such statistics but they serve to demonstrate the exceedingly discouraging condition of the peasant class. This can be seen from another angle. The total amount of the debt of the peasant class in 1920 was estimated at 2,120,000,000 yen. In the same year, the total amount of

¹ The average value of land per acre throughout Japan in 1925 was estimated at 1,372 yen.

² The average yield for industrial bonds in 1925 was 8.08 per cent per annum; and stocks, 7.8 per cent per annum. Cf. *Oriental Economic Year Book*, 1926, p. 90.

³ The 45th *Teikoku Tokei Nenkan*, 1926, p. 79.

the deposits in Postal Saving Banks and other savings banks by the peasant class was estimated at only 370,000,000 yen.¹

The economic status of the agricultural community is generally one of great depression due to increased expenditures for education and public works (construction and repair of highways and bridges). Typical examples of this poor financial condition of rural communities is illustrated by the deferred payment of teachers' salaries in some public schools. In 1924, a public school in Fukushima Prefecture is reported to have failed to pay salaries to teachers on pay-day due to the lack of money. In 1925, public school teachers in a village in Yamanashi Prefecture had to issue promissory notes, *tegata*, for the purchase of daily necessities on account of the deferred payment of their salaries.²

AGRARIAN MOVEMENT

The high price of farm products is an important problem for farmers in any country. In Japan, where a large per cent of the farmers are landless, each cultivating a small portion of leased land, by far the most important problem of agriculture is the reduction of rent for the land.

The long established custom of farm rent at fifty to sixty per cent of the production was kept up until the close of the World War without causing much agitation on the part of the tenant class, although they demanded a reduction of rent in the year of crop failure, and a reasonable demand was ac-

¹ Bureau of Information, Department of Foreign Affairs, *op. cit.*, pp. 5-6. The amount of investment by the peasant class in the industrial field during the period from 1917 to 1920 is supposed to have reached an enormous amount on account of economic prosperity. After 1920, the investment of the peasant class in the industrial field was much reduced due to economic depression, and the bitter experience of losing their invested money by the failure of industrial concerns. If this class of investment were taken into consideration, the net debt of 1,750,000,000 yen indicated above would be somewhat smaller.

² Cf. *Chuo Koron* (The Central Review), April, 1925, pp. 98-99.

cepted by land owners without causing friction.¹ This apparent quietude of the tenants does not mean that they were satisfied with their economic status. Farmers, partly from their conservative nature and partly from long-established social customs of absolute obedience to the ruling class, are accustomed to endure hardships of life; but the growing labor activities in urban districts, the propagation of socialism and the spread of democratic ideals throughout Japan during and especially after the World War, stimulated some intellectual leaders to plunge into the field of agriculture and assume leadership in emancipating that vast number of peasants, economically depressed. The formation of tenant unions and the disputes directed by the leaders often resulted in reduced rents for the tenants. Farmers were quick to see the economic advantage of concerted action backed by the tenant unions. Accordingly, the number of tenant unions increased from 130² in 1917 to 4,065 with 368,424 members in 1926.³

¹ According to the investigation made by the Department of Agriculture and Commerce in 1913 and 1920, the reduction of farm rent for the five year average was as follows:

		<i>Five Year Average of</i>		<i>Five Year Average of</i>	
<i>Contracted Farm Rent</i>		<i>Rent Actually Paid In</i>	<i>Contracted Farm Rent</i>	<i>Rent Actually Paid In</i>	
		<i>(In Bushels)</i>	<i>(Index Number)</i>		
<i>For One Crop Land</i>					
1913	21.54	18.78	100		86.9
1920	21.66	20.55	100		94.8
<i>For Two Crop Land</i>					
1913	25.88	24.23	100		93.6
1920	26.34	25.22	100		95.7

These figures were computed from the data published in *The Labor Year Book of Japan*, 1925, p. 35.

² Investigation made by the Bureau of Social Affairs, Home Department, Japan. The figure was adopted from *The Oriental Economist Year Book*, 1926, p. 243.

³ Section of Labor, Bureau of Social Affairs, Japan, *Rodo Jiho* (Hereafter simply *Labor Gazette*), vol. iii, December, 1926.

The number of disputes increased from eighty-five cases in 1917¹ to 2,206 cases in 1925 involving 33,001 land owners and 134,646 tenants.² More than eighty-five per cent of the disputes in 1925 took place over the question of rents. Of 2,206 disputes in 1925, 1,444 cases concerned the reduction of the farm rent for one year. These disputes were caused by crop failures due to storms, floods and droughts. Four hundred and fifty-one disputes were caused by demands for the permanent reduction of rent; and twenty disputes were over the question of increased farm rent; two hundred and thirty-two disputes involved the demand for the continuation of the tenants' contracts. Land owners, in order to evade the tenancy disputes, wished to cultivate the land themselves either employing farm laborers or applying farm machinery. Sometimes in suburban districts, farm lands were converted into building sites. In either case the tenant was deprived of the source of income and the dispute following was severe and enduring.

The nature and tactics of disputes have brought about a marked change. In former days the demand of the tenant was simply for a reduction of rent for a particular year in which crops failed. Of late, the nature of disputes has become more fundamental. The demand for permanent reduction of rent (usually thirty per cent, but in some cases fifty to seventy per cent) or the establishment of the right of tillage, etc., is increasing. In former days the method of enforcing the demands was concentrated mostly on the cessation of tillage or a demonstration against the land owner in the form of direct action. In many cases, however, this resulted in failure because the law forbade direct action. Lately such tactics have been replaced by the formation of an alliance for the non-return of tenured land, or the withholding of one-half

¹ *The Oriental Economist Year Book*, 1926, p. 243.

² *The 45th Teikoku Tokei Nenkan*, 1926, p. 422.

of the rent in the hands of tenants until disputes are settled. In some cases, the tenants took more drastic measures involving their children in the disputes. They withdrew their children from the public schools and placed them in schools especially established and supported by the tenants.¹

According to the investigation² made by the Kyocho-kai in 1926, there were over twenty-eight public schools involved in tenant disputes, and 2,100 children or 1.78 per cent of the total number of children (11,837) in schools went on strike. The main reasons for striking were: 1. Economic difficulty due to the prohibition of cultivation by the land owners. 2. Objection to the educational system based upon capitalism. 3. As a means of political protest.

We have dealt rather too long with this subject seemingly unconnected with the labor movement, but the closer we examine the problems of agriculture, the more we are convinced that the effect of the agrarian movement upon the national psychology, of the economic status of the peasant class on social evolution and of the shortage of food stuffs on the cost of living are factors vitally connected with the labor movement and the welfare of the laboring class.

The agricultural community is built upon the ground work of the family system and a closely related community spirit, and it was generally considered that no radical change could come about; but the agrarian movement spread all over the country within a few years. Tenant disputes have increased

¹ The famous case of the school children's strike in connection with the tenants' disputes was the "Kizaki case" in Niigata Prefecture in 1924. Children of all the tenant farmers in the villages had refused to attend the public schools until the disputes were settled. They were placed in a newly established proletarian school and the leaders of the agrarian movement and the labor movement were invited to take charge of the school. Kyocho-kai, *Shakai Seisaku Jiho* (Social Reform. Hereafter simply *Shakai Seisaku Jiho*), no. 77, February, 1927, p. 6.

² *Ibid.*, p. 7.

in number and become more radical, and tactics displayed in the last few years suggest that the attitude of mind of the peasant class is fast changing, and class consciousness seems to be permeating the agrarian communities. The changing attitude of the agrarian class is influenced by the economic conditions, especially living conditions, and by the impossibility of satisfying the ever-increasing desire for a higher standard of living begotten by contact with urban life. These factors provide a type of mind awake to the possibility of any economic gain or improvement in living conditions. We must, however, guard ourselves against a hasty conclusion. The number of tenants who were involved in disputes in 1925 was 134,646 which is about nine per cent of the total number of tenant farmers in Japan, and not all of these were radical.

The family system, the community relationships, and social traditions have not lost their hold, and what appears to be radical and revolutionary is limited to a small group of people. We may look more to the future generation than to the present generation for psychological changes in national thought.

One phase of agricultural life closely related to the labor movement is the migration of the rural population to urban industrial districts. Vast numbers of tenant farmers, tired of hard and unprofitable lives in farming communities, are seeking urban industrial life. The agricultural population thus provides a source of labor supply which constitutes a problem in unemployment and wage scales.

CHAPTER VI

POPULATION AND LABOR

THE population problem has occupied an important place in Japanese economic and social life within the last few years, especially since 1920 when industrial depression set in. The problem of population has had added importance since the year 1924, when the new immigration law was passed in the United States, and the unhappy incident incited ill-feeling throughout Japan. This incident coupled with the increase of population by 962,695 in 1925—a record-breaking increase of population in Japanese history—awakened the whole nation to the consciousness of the impending menace of the population-pressure upon her economic and social life.

According to the census of October 1, 1925, the total population of Japan proper was reported at 59,736,704,¹ and the density, 157 persons per square kilometer.² Japan is the fourth most densely populated country³ being exceeded only by Belgium, Holland, and England and Wales.

¹ This figure does not include Formosa, Sakhalin and Korea. If the population in these colonies numbering 23,717,667 (Korea, 19,519,927; Formosa, 3,994,236; Sakhalin, 203,504) is added to the total population of Japan, as of 1925, the total is 83,454,371. *Résumé Statistique de L'empire du Japon*, 1926, p. 4.

² The total arable land in 1925 was 15.6 per cent of the total geographical area. So far as the density of population on arable land is concerned, Japan may be one of the most densely populated countries.

³ Density of population of Belgium is reported at 679 per square mile; Holland, 581; England and Wales, 423; Japan, 400; United States, 35; Brazil, 9; Canada, 2; and Australia, 2. Cf. *Jiji Year Book*, 1927.

BIRTH RATE

Before Japan entered into the industrial stage, agriculture was the only industry upon which the economic life of the whole nation was dependent. The relatively small income in those days and the extreme poverty of the agrarian class necessitated their refraining from freely rearing and bringing up children. The stabilized condition of the population in the late *Tokugawa* period proves the well known fact that infanticide was extensively practiced in those days. The birth rate in the early part of the *Meiji* era (1868-1911) was small in comparison with European countries, and it was only in 1900, that the birth rate rose to an equal plane with that of European countries.

The industrial development and economic prosperity which was ushered in through the Chino-Japanese War (1894-1895) and the Russo-Japanese War (1904-1905) removed the fear of economic pressure from rearing children. Nationalism which became the leading force after Japan came in contact with the Western nations, encouraged the increase of population under the guise of patriotism. On the other side, the enactment of a criminal law, prohibiting the act of abortion was rigidly enforced. Accordingly, the birth rate¹ in 1908, three years after the Russo-Japanese War, increased to 33.7 per 1000 population from 31.7 in 1900. The upward tendency of the birth rate was continued until 1911 (34.1) and then it took a downward trend until 1919, when the rate had declined to 31.6; but, it was again increased to 36.2 in 1920; 35.1 in 1921. The recent tendency indicates that the birth rate is at a standstill or rather at the peak of the curve showing 33.8 in 1924 and 34.92 in 1925.

The present rate of birth in Japan is excessively high in comparison with other civilized countries. The rate in Ger-

¹ Cf. The 45th *Teikoku Tokai Nenkan*, 1926, pp. 40-41.

many was 25.3 in 1921; France, 19.2 in 1924; England and Wales, 20.7, in 1922; and the United States, 22.6 in 1924 (white, 22.2 and colored, 26.3).

DEATH RATE

The death rate in Japan is unusually high, despite the development of medical science, and improved sanitary conditions. The death rate in 1913 showed 19.4 per 1000 population. The rate increased to 26.8 in 1918, on account of the Spanish influenza epidemic. However, it decreased to 21.2 in 1924, and 20.3 in 1925. Although the death rate shows a downward trend, it is high in comparison with that of European countries. The death rate in England was only 12.2 in 1924; France, 17.2; Germany, 12.2; Italy, 16.5. The United States showed only 11.8 in the same year (white, 11.8 and colored, 18.1).

THE NATURAL INCREASE OF POPULATION

The natural annual increase of population ranges from 14.47 for a five year average ending 1914; 12.9 for 1915-1919; 12.36 for 1920-1924. The absolute figure of the natural increase of population during the year 1925 was 962,695 persons or at the rate of 15.76 per 1000 population.

POPULATION POLICIES

On account of population pressure, Japan has shown a very keen interest in emigration; but, the closed door policy against Oriental immigrants in the United States, Canada, and Australia has practically checked the current of emigration to those countries. The annexation of Korea helped little in solving the population problem of Japan, for Korea itself is densely populated (81 persons per square kilometer). Industries are not developed; the productivity of the land is small; and essential raw materials are lacking. The standard of living of Koreans is much lower than that of the Japanese.

There is very little hope of promoting the emigration of Japanese workers to Korea, neither is there any hope for the emigration of the agricultural population. The total number of Japanese living in Korea was reported to be 411,595 persons or 2.28 per cent of the total population in Korea in 1924. This is an increase of only 107,936 persons during the ten years between 1915 and 1924.¹ Emigration to Manchuria and Siberia is not prohibited, but it is economically impossible, unless a huge sum of capital is invested first. Japanese emigrating to Manchuria and Siberia as laborers cannot stand the competition of cheap Chinese laborers. The South American countries, especially Brazil,² afford the only prospective outlet at present, and the emigration to that country is rapidly increasing. Emigration to Brazil alone does not solve the problem of a population which is increasing at the rate of over 900,000 a year. In fact, the total number of Japanese living abroad in 1925 did not exceed 625,430 persons. The figure is an indication that Japan's emigration policy as a remedy for over-population is a failure.

INTERNAL MIGRATION

Since emigration was unsuccessful on account of the closed door policy of foreign countries, the problem of internal emigration began to be noised abroad in 1925. It is not an alternative plan to foreign emigration, but the plan was advocated with renewed intensity after the new immigration law was passed in the United States in 1924. The small island called Hokkaido in the northern part of Japan, and the Miyazaki Prefecture in the island of Kyushu, the western section of Japan, are named as two prospective places to absorb a greater number of people. The total area of these two

¹ According to a report in the Brazil edition of the *London Times* (June, 1927) 80 per cent of the farmers who answered the questionnaire on immigration, voted for an increase of Japanese immigration.

² *Teikoku Tokei Nenkan*, 1926, pp. 26-27.

districts does not exceed 94,505 square kilometers, and the island of Hokkaido is already inhabited by twenty-eight persons per square kilometer, and the Miyazaki Prefecture, by eighty-nine persons. The land unreclaimed as yet in those places is poor in quality and hard to cultivate; moreover, capital must be invested before the land can begin to yield crops. Under such circumstances, internal migration in Japan seems to involve insurmountable difficulties.

BIRTH-CONTROL

It may naturally be considered that birth-control should immediately be adopted as an effective means of checking the growth of the population. In fact, the number of people who advocate birth-control seems to be increasing, although the propagation of contraceptive methods is attacked by imperialists who believe that a large population increases national strength. Furthermore, birth-control is frowned upon by a large number of conservative people from the ethical point of view. The birth-control movement brings in the problem of morality, and it is easier to conceive the associated evils than to visualize the moral effect of over-population and the consequent poverty upon national life.

There is no opposition to the practice of birth-control from religious bodies, such as is often encountered in Western countries. The government showed a strong reaction against the spread of the contraceptive idea when Mrs. Sanger attempted to advocate it in Japan a few years ago. The government, however, has realized the acuteness of the problem of population in the last two years, so that now it refrains from rigorously opposing the spread of contraceptive methods.

The real obstacle to the idea and practice of birth-control may be attributed to several reasons, economical as well as social. It was the tradition during the feudal period that the

family name should persist, and those who had no heir¹ adopted a son or daughter to inherit the family name. The property, instead of being confiscated by the feudal lord, was guaranteed to a family where a legal heir was found. The perpetuity of the family was also considered of prime importance for the reason of ancestor worship. Under these circumstances, it is not strange that a scholar writing a moral code for women says, "A woman who does not bear a child within three years after she is married, should leave her husband's home."²

A tradition associated with the family system that aged parents depend upon their children, gives rise to a strong desire on the part of parents to have many children, even at the sacrifice of their standard of living. This desire to have many children is further strengthened because of the great infant mortality in Japan.

The lack of clear understanding on the part of the public of the economic position of Japan, and their vague expectancies that there is somewhere, or somehow an opportunity for national expansion, also hinder the exercise of birth-control on an effective scale.

Economically speaking, the agrarian class is a great reservoir of population, constantly increasing in size. The present methods of farming and harvesting, involving little machinery, require relatively a large number of laborers in farming, and a big family is an asset to a farmer. On the other hand, the strong influence that parents exercise in the family enables them to impose the long accustomed low stan-

¹ It is a widely practiced custom in Japan, even in the present day, that the eldest daughter, if there is no son in the family, take her husband into her own home, and the husband adopt the name of her family, thus insuring the perpetuity of the family name.

² Ekken Kaibara, *Onna Daigaku*. This was a standard book for the moral education of women, before Japan adopted the modern system of education.

dard of living on the younger generations. This practice of a lower standard of living enables the peasant to support a relatively large family on a limited income. It is not an easy matter for uninformed and uneducated peasants and workers to conceive an idea of limiting the number of children. To limit the number of children in order to attain a higher standard of living is, to the common people of Japan, a luxury and immoral. Moral teaching places luxury among the vices, and if it were associated with limiting the number of children, social pressure in rural districts would practically prohibit the open dissemination of information on the birth-control idea.

The ability of Japanese women to endure hardships which may seem unbearable to her sex in Western countries, and her acceptance of these hardships as her lot are reasons to be taken into consideration in connection with the problem of birth-control.

The influence of the family-system traditions on the attitude of mind is not, however, impervious to modification in response to changing economic conditions in Japan. The rising desire of the laboring class and of the tenants to create a favorable environment instead of accepting the philosophy of fatalism that they are destined to live hard lives, is a powerful influence in modifying the public mind. The economic depression both in industrial and agricultural districts may gradually force the economically unfavored class to adopt contraceptive methods to relieve their hardships. The gradual elevation of the national educational standard may help the spread of information, while the awakening of women may weaken the resistance to the practice of birth-control. This is not a mere assumption, but a fact. An interesting phenomenon concerning birth-control is now taking place in Japan. Some leading women's magazines such as *Shufunotomo* (Japanese Ladies' Home Journal) and *Fujinsekai* (The Women's World) quite frankly published

articles on contraceptive theories and practices in their May numbers in 1927. Advertisements soliciting consultations on, and urging the purchase of articles for the practice of contraceptive methods began to appear frequently in 1927 in the leading newspapers. These facts are to be taken as presaging a great change in the social mind, and in the attitude of the government toward the population policy. A few years ago nobody could anticipate that such articles or advertisements would appear before the public. It must be remembered that these favorable indices for the spread of birth-control do not by any means prove that the population problem in Japan can be brought under control in the near future by means of birth-control.

INDUSTRIALIZATION OF JAPAN

As the last resort for the solution of the population problem, the industrialization of Japan is much discussed and the consensus of opinion at present seems to favor it as the only practical course that Japan can take. The present number of industrial and mining laborers, 4,690,317,¹ or 13.8 per cent of the total population employable in gainful occupations,² is much less than the proportion of such workers in industrial countries in the West. Looking at the comparatively small number of the working population in Japan, one might too readily conclude that the population problem can easily be solved by adopting the industrialization of Japan as a national policy. The problem of industrialization is closely related to the problems of raw materials, capital and markets, which have been discussed in preceding chapters. Each one of these factors presents serious problems within itself, and

¹ Reported by the Bureau of Social Affairs, Japan, as at the end of June, 1926. Cf. *infra*, ch. vii.

² The population between 15-59 years of age in 1925 was 34,223,375, according to the census, October, 1925. Cf. *Teikoku Tokei Yoran* (Brief Labor Statistics), 1926, pp. 28-29.

there is no immediate possibility of great industrial development to solve the problem of population in the future.

Problems of over-population directly connected with the welfare of the laboring class are: 1. The trend to a higher cost of living, especially as regards foods as discussed in Chapter V, and, 2. the concentration of population in urban districts, causing an over-supply of labor.

CONCENTRATION OF POPULATION IN CITIES AND TOWNS

In 1895, there were 6,973,038 persons living in cities of over 10,000 population in Japan. In 1920, the number of city inhabitants increased to 18,036,122 or an increase of 160 per cent. The total population throughout Japan showed an increase of twenty-eight per cent during the same period.¹

No statistical data are obtainable to throw light upon the urbanization of the agricultural population excepting a few independent studies on a small scale, and inferences to be drawn from other sources.

The first clue showing the migration of the agricultural population to urban districts is obtained by the comparison of census figures based on the number of the population registered and that actually living. Such a comparison was attempted in 1919 in Tokio and Osaka, the two largest industrial centers in Japan. The actual population in Tokio was greater by sixty per cent than the registered number; while in Osaka, the actual number exceeded it by ninety-six per cent.

In the last few years, a number of independent inquiries were carried on to find out the previous occupations of the workers in factories and mines. The investigation carried out on August 31, 1923, by four arsenals² (Tokio, Osaka,

¹ The rapid growth of urban population is partly due to the enlargement of city areas by the annexation of suburban districts. Figures quoted here were obtained from *Résumé Statistique de L'empire du Japon*, 1907, 1914 and 1926.

² Kyocho-kai. *Noson Mondai-to Shokogyo-no Kankei* (The Relation Between Agriculture and Commerce), p. 43.

Nagoya, and Kokura) covered 11,724 workers, and the result obtained showed that 3,504 persons or 35.35 per cent had engaged in farming previous to their present occupation. This investigation shows the occupation of workers immediately preceding their present work. Workers shift from one factory to another in a short period. The workers in arsenals are mostly men, and a relatively large number of skilled workers are found there. Accordingly, it may be said that the percentage of workers who were recruited from the peasant class may be smaller than the number found in other industries, such as the textile, or food and drink industries, and we may safely assume that the majority of those workers who are found engaged in occupations other than agriculture have also been recruited from the peasant class.

The Bureau of Social Affairs of the City of Osaka made an inquiry in 1923 concerning the previous occupations of 90,189 workers in six different industries including textile, chemical, food and drinks, machine and tools, special (gas and electric), and miscellaneous.¹ The investigation shows that only 22,556 persons or about twenty-five per cent of them had some experience as industrial workers. The following table indicates the distribution of the workers both experienced and inexperienced in the six industries above referred to.

TABLE VIII

<i>Industries</i>	<i>Experienced in some industrial work</i>	<i>Inexperienced in any industrial work</i>
	(<i>per cent</i>)	(<i>per cent</i>)
Textile	22	78
Machine and tools	70	30
Chemical	22	78
Food and drinks	36	64
Electrical and gas, etc.	54	46
Miscellaneous	30	70

Bureau of Social Affairs, Osaka, *Kojio Rodo Koyo Kankei* (Relation of employer and employee in factories), 1923, pp. 37-38

¹ See, Bureau of Social Affairs, Osaka, *Dai Ikkai Rodo Tokei Jitchi Chosa Gaiyo* (Brief Statistics of the First Labor Census, Osaka).

The same inquiry shows that of 41,490 inexperienced workers investigated, 18,090 persons or forty-four per cent had been farmers, and 7,995 or nineteen per cent were students (mostly common school students), and the remainder were distributed among thirty-six different occupations.

Another investigation shedding light upon this subject was made public by *Kyocho-kai* reporting on labor conditions in the coal-mine industry. The inquiry had the objective of finding out the destinations of discharged workers in two coal mines (one on the island of Hokkaido, and the other, on the island of Kyushu) in 1921. The result of the investigation showed that thirty-five per cent had returned to agriculture and only fifteen per cent were employed in other coal mines, or in the mining industry. That a relatively small number of discharged workers found employment in other mines may probably be due to the extreme depression of the mining industry in that particular year. On the other hand, the fact that a large number of miners returned to agriculture by no means proves that they became a part of the peasant class. On the contrary, the probability is that they found temporary shelter among their parents and relatives before they found employment in mines and industries. In any event the investigation serves to demonstrate that a large percent of industrial and mine workers are either recruited from the peasant class or have a close relationship with the agricultural industry.

From these statistical data, we may infer that a large number of people migrate from rural to industrial districts. As was pointed out in Chapter V, the farmers living condition is very often lower than that of the city workers. The peasants desire to be free from economic pressure and to get money as a means of exchange. This is far more convenient than holding rice, and is a driving force, urging farmers to migrate into cities. Thus, the cause of the urbanization of

TABLE IX

DESTINATIONS OF DISCHARGED WORKERS IN COAL MINES

<i>Coal Mines Date of Discharge</i>	<i>Number of Miners Dis- charged</i>	<i>Per cent of Discharged Workers Reemployed in</i>					<i>Unem- ployed</i>
		<i>Agricul- ture</i>	<i>Other Mines</i>	<i>Com- merce</i>	<i>Indus- tries</i>	<i>Miscel- laneous</i>	
A coal mine in Kyushu, May, 1921	552	32	17	16	4	15	16
A coal mine in Hokkaido, April, 1921	639	38	14	17	14	17	—

Note: *Kyocho-kai, Sekitan Kogyo Rodo Jijyo* (Labor Conditions in the Coal Mine Industry), 1922, p. 22.

the agricultural population in Japan lies deeper than the mere attraction of city life.

The application of machinery to farming and harvesting is much advocated at present in order to relieve the pressure upon the tenant farmers. The development of the electrical industry may enable the farmer to apply machinery on a more extensive scale. The application of machinery will, however, proportionately reduce the demand for farm labor as there is not much waste land left to be reclaimed by the use of machinery. The surplus population must find occupations either in rural communities, if employment opens up for them by the establishment of factories, or by the introduction of more domestic industries. Those who are fortunate enough to have found employment in industries in rural communities will find constant competition from the actual and potential labor supply of the peasant class who try to get employment during inactive agricultural seasons. This may drive rural industrial workers to venture into city life where there are more attractions in the way of amusement as well as greater potential opportunities for better occupations and employment. Furthermore, the development of transportation and

the extensive use of bicycles among the peasant class enables those who are living in suburban districts to come into cities for work and return home in the evening.

The urban population seldom moves back to rural districts. Even those who come out of the peasant class seldom go back permanently into their former occupations in spite of the fact that farming in Japan can be started with relatively little capital. The hardship of peasant life is the one thing which keeps them in cities, even in a period of industrial depression, and the expectation of the early recovery of economic conditions attracts them to urban life. The migration of peasants into cities, means, therefore, a constant increase of the reservoir of industrial labor supply.

The over-supply of labor is also caused by the increase of women workers. In former days, women refrained from working in factories; nevertheless, the force of economic pressure and the change of national thought toward women, have gradually emancipated a large number of them.

KOREAN LABORERS IN JAPAN

The forces tending to cause the surplus of labor in Japan are not only within the border of the country, but are also found without. The migration of Korean and Chinese laborers into Japan complicates the problem still further.

The number of Koreans in Japan at the end of 1923 was 80,015, according to the report of the Bureau of Social Affairs. Five months later, it was increased to 89,042, and at the end of June, 1925, there were 136,709 Koreans living in Japan. The number, however, decreased to 129,870 in the following six months.

Most of the Koreans are concentrated in the industrial centers such as Osaka, Fukuoka, Kobe, and Tokio. The investigation on March 1, 1924, showed that 20,520 Koreans, or twenty-three per cent, were employed in the mining indus-

tries, and the rest were distributed in various occupations, such as street construction and the textile industries.

Most of the Korean laborers are uneducated, and few understand the Japanese language. Among 18,191 Koreans in Osaka, who were investigated by the Osaka Fu in April, 1922,¹ there were 9,798 illiterates (53.9 per cent), 2,896 (15 per cent) were able to speak Japanese, and 5,522 (30.4 per cent) understood Japanese only slightly. There were 9,845 (54.1 per cent) Koreans who did not understand Japanese at all.

The living conditions of Korean workers in Japan are not known. A comparison of these conditions with those of native workers is not available, but as Korean workers constitute the lower income group of the working class, we may safely assume that the standard of living conditions of the Korean workers in Japan is much lower than that of the Japanese workers.

CHINESE LABORERS IN JAPAN

The immigration of Chinese laborers into Japan has practically been prohibited since July, 1899, by the Imperial Ordinance (No. 35) which requires Chinese labor immigrants to obtain from the administrative authorities, permission to live outside of the foreign settlement.² In view of the fact that the labor supply within Japan is exceeding the demand, the government is said to have taken continuously a policy discouraging Chinese immigration as common workers.

The census of July, 1924, showed that there were only 5,911 Chinese laborers in Japan. They were employed in

¹ *Labor Year Book of Japan*, 1925, p. 52.

² Foreign settlement is a small residential section specially set aside for foreigners. Important seaports such as Yokohama, Kobe, Nagasaki, etc., each provided a section for foreign residents. By the revision of treaties, the system of foreign settlement was abolished, and at present foreigners can live anywhere in Japan.

street construction, hair dressing, domestic work, and as casual workers.

Chinese laborers are only a fractional part of the workers numbering over 4,000,000. It seems that they have little effect on the welfare of the Japanese laborers except in work like hair dressing in Osaka, where at one time more than one-third of the workers were Chinese, and they were considered by the Japanese workers to be very strong competitors.

The known number of Chinese laborers is the figure recorded in the census. The press report in 1926, says over 10,000 Chinese laborers were smuggled into Japan. This is not an authentic figure, but the fact that within three months between January and March, 1923, 554 Chinese were denied entry at Moji, indicates that there is a strong undercurrent of labor flowing into Japan from China.

IMMIGRATION AND LABOR POLICIES

The economic prosperity and the industrial expansion during and shortly after the War supplied work to everybody at relatively higher wages, and since that time Korean and Chinese laborers have been coming in. Although the industrial depression since 1920 seems to have checked the inflow of laborers from outside, the experience in the past indicates that there is a strong potential labor supply from the outside.

The wage rates are influenced, in the long run, by the force of demand and the supply of laborers. The cheap labor supply from foreign sources, therefore, influences the wages of native workers. This is especially so in industries where workers are not organized. A movement recently started to organize Korean workers is a logical outcome, and demands for equal pay and equal treatment with Japanese workers are encouraging features both for Korean and Japanese workers.

The over-supply of labor is a relative matter with the expansion of industries. If the industrial expansion which

was so great during the period of the World War should continue and constantly absorb an increasing number of workers, there would not arise the problem of over-supply of labor. The forecast, however, is that under ordinary circumstances there will not be an increase of industrial activity as great as there was from 1917 to 1919; and, the duration of prosperity will be relatively short even if cyclical change favors the revival of industrial activity. The internal examination of the economic situation in Japan presents serious obstacles for the future development of industries, and one cannot hold too optimistic a view. Under such circumstances, we see that the industrial workers in Japan are constantly menaced by the actual and potential over-supply of labor, by the natural increase of population, the urbanization of the peasant class, the increasing number of women workers, and the influx of Korean and Chinese laborers. These competitors are the class of people who will be unskilled laborers, accustomed to the lowest living conditions, and understanding little of the meaning of the labor movement.

PART II
INDUSTRIAL RELATIONS IN JAPAN

CHAPTER VII

SURVEY OF LABOR CONDITIONS

LABOR POPULATION

THE total number of working people in all occupations in Japan in 1920 was estimated by the Census Bureau at 15,970,000¹ or 28.6 per cent of the total population in that year.

This estimated figure exceeds by 5,860,000 the total obtained by aggregating the number of workers reported by the Bureau of Social Affairs, the Department of Agriculture and Commerce, the Home Department, and other sources. This difference comes from a discrepancy in the number of agricultural workers reported in these different sources. The number of workers in other industries fairly well agrees although the figures are not exactly comparable since the Census figures are for the year 1920 only, whereas the other figures cover the years up to 1924.

FACTORY WORKERS AND MINERS

It has been pointed out in the first chapter that the industrial history of Japan extends over the past sixty years only, and that it was during the World War that her industry got its firmest hold. The increase of the number of workers indicated by the various reports is correlated with industrial development. In 1913, there were 916,252 factory workers and 264,136 miners. Seven years later, in 1920, the number had increased to 1,486,442 industrial workers and 440,552

¹ The 45th *Teikoku Tokei Nenkan*, 1926, p. 7.

TABLE X

WORKERS IN ALL OCCUPATIONS

<i>Industries</i>	<i>Total population classified by occupations</i>	<i>Number of Workers and Sources</i>	
		<i>Census estimate</i>	<i>Other sources</i>
Agriculture	26,943,000	9,020,000	3,117,582 ¹
Fishing	1,492,000	390,000	789,236 ²
Mining	1,021,000	446,000	308,178 ³
Industry	10,865,000	3,630,000	1,987,295 ⁴
Free-workers (carpenters, masons, coolies, etc.) ....	.....	.....	810,647 ⁵
Commerce	7,646,000	1,109,000	1,109,000 ⁶
Forestry .....	.....	.....	715,709 ⁷
Transportation	2,516,000	647,000	.....
Railway system .....	.....	.....	185,885 ⁸
Shipping .....	.....	.....	492,396 ⁹
Rikisha coolies .....	.....	.....	89,183 ¹⁰
Wagon drivers .....	.....	.....	376,687 ¹¹
Communication .....	.....	.....	55,724 ¹²
Others .....	.....	.....	26,738 ¹³
Civil works and free workers	2,992,000	263,000	.....
Salt industry .....	.....	.....	45,325 ¹⁴
Miscellaneous	1,010,000	465,000	.....
Domestic employment	68,000	.....	.....
Non-occupational group ...	1,296,000	.....	.....
Total	55,849,000	15,970,000	10,109,585

Notes: These figures are quoted from *Rodo Tokei Yoran* (Brief Labor Statistics) issued by the Bureau of Statistics, Cabinet of Japan, 1926, pp. 1-4, 7-8.

1. Reported by the Bureau of Agriculture, Department of Agriculture and Commerce, October 1, 1920.

2. *Ibid.*, December, 1920.

3. Bureau of Social Affairs, December, 1924.

4. Department of Home Affairs, December, 1922.

5. Estimated from the Census figures, 1920.

6. Bureau of Agriculture, Department of Agriculture and Commerce.

7. Department of Railway, March, 1924.

8. Department of Communication, December, 1924.

9. Department of Home Affairs, December, 1923.

10. Bureau of State Monopoly, Department of Finance, December, 1924.

miners.¹ According to the latest report ² made public by the Bureau of Social Affairs, the number of factory workers had reached 2,098,046 ³ by the end of December, 1926; but the number of miners had decreased to 297,166 on account of the continued depression of the mining industry since 1920. In addition to the above, there were 2,246,469 workers in transportation, building and casual workers, making the total number of industrial workers 4,641,681.

TABLE XI

NUMBER OF WORKERS IN FACTORIES, MINES, TRANSPORTATION AND OTHER INDUSTRIES AT THE END OF DECEMBER, 1926

<i>Industries</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>
Factory:			
State owned industry	102,419	30,033	132,452
Industries owned by municipal and other public bodies	6,595	4,231	10,826
Private industry	941,343	1,013,425	1,954,768
Total factory workers	1,050,357	1,047,689	2,098,046
Mining	226,313	70,853	297,166
Transportation	385,710	24,713	410,423
Casual workers and others	1,437,840	398,206	1,836,046
Grand total	3,100,220	1,541,461	4,641,681

Reported by Bureau of Social Affairs. Cf. *Labor Gazette*, vol. iv, April, 1927.

¹ Figures for factory workers up to 1918 are based on the investigations which cover factories employing more than ten persons. Figures for 1919 to 1920 include workers in factories employing more than five persons for daily average. Statistics since 1921 include workers in factories where more than five persons are employed. Cf. *Résumé Statistique de L'empire du Japon*, 1926, pp. 24, 26.

² *Labor Gazette*, vol. iv, April, 1927.

³ This figure includes 143,278 workers belonging to state and municipal owned industries.

NUMBER OF WORKERS UNDER THE CONTROL OF FACTORY ACT

According to the report of the Bureau of Social Affairs, there were, at the end of October, 1926, 49,349 factories and 1,703,537 workers who were under the control of the Factory Act.¹ This is equal to 81.1 per cent of the total factory workers.

TABLE XII

NUMBER OF WORKERS UNDER THE CONTROL OF FACTORY ACT, OCTOBER, 1926

<i>Factories employing ten or more persons</i>		<i>Factories employing less than ten persons, where workers are engaged in work of hazardous nature</i>		<i>Total</i>	
<i>Number of factories</i>	<i>Number of workers</i>	<i>Number of factories</i>	<i>Number of workers</i>	<i>Number of factories</i>	<i>Number of workers</i>
27,624	1,623,441	21,725	80,096	49,349	1,703,537

Labor Gazette, vol. iv, April, 1926, pp. 26-27.

NUMBER OF WORKERS IN DIFFERENT BRANCHES OF INDUSTRY

The distribution of workers in different branches of industry shows the relative importance of industry so far as the number of workers is concerned, while the size of factory serves to indicate the progress of the industrial system. Of the total factory workers reported to be 1,808,381 in December, 1925, 972,631 persons, or 53.8 per cent belonged to the textile industry. The machine and tool industry came next, employing 224,177 persons or 12.4 per cent. The food and drink manufacturing industry and the chemical industry occupied third and fourth positions respectively, the former employing 170,648 persons or 9.4 per cent, and the latter employing 104,810 workers or 5.8 per cent. A small number of workers was found in special industries including gas and

The present Factory Act applies (since July, 1926) to factories where ten or more persons are employed. It also applies to factories employing less than ten persons if workers engage in hazardous work. Cf. *infra*, ch. xiii.

electricity in which only 6,375 persons or 0.4 per cent were drawing wages.

TABLE XIII
NUMBER OF WORKERS CLASSIFIED ACCORDING TO INDUSTRIES
(DECEMBER, 1925)

<i>Industry</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>	<i>Per cent</i>
Textile	181,032	791,599	972,631	53.8
Metal	85,181	7,948	93,129	5.1
Machine and tools	212,502	11,675	224,177	12.4
Ceramic	53,265	11,332	64,597	3.6
Chemical	67,678	37,132	104,810	5.8
Wood boards and wooden works	43,401	5,414	48,815	2.7
Printing and book binding	41,838	8,216	50,054	2.8
Food and drinks	123,458	47,190	170,648	9.4
Gas and electric	6,296	79	6,375	0.4
Miscellaneous	37,903	35,242	73,145	4.0
Total workers.....	852,554	955,827	1,808,381	100.0

These figures are based on reports of factories employing more than five persons. Section of Statistics, Ministry of Commerce and Industry, Japan. *Kojyo Tokei Hyo* (Factory Statistics) for 1925, issued March, 1927, pp. 25-31.

The number of workers classified according to the size of plant shows that 69.3 per cent, or 673,992 workers, in the textile industry were employed in factories where there were more than one hundred workers. The average number of workers in the cotton-spinning industry was nine hundred and twenty-seven per mill in 1925.¹ A similar situation is found in the tool manufacturing industry in which 73.9 per cent of the workers were employed in factories where more than one hundred persons were employed. Grouping all branches of industry, 59.7 per cent of the workers were employed in factories employing over one hundred persons.

¹ This figure was obtained by dividing the total number of workers in the cotton-spinning industry, reported to be 254,017 persons, by 274 factories. Cf. *Kojyo Tokei Hyo*, 1925, p. 26.

TABLE XIV
NUMBER OF WORKERS CLASSIFIED ACCORDING TO THE SIZE OF INDUSTRIES, DECEMBER, 1925

Factories Employing between (persons)	Wood Wk. and Printing and Food										Total
	Textile	Metal	Machine and Tools	Ceramic	Chemical	Wooden Boards	Book Binding	Drinks	Gas and Electrical	Miscel- laneous	
5- 9.....	46,380	10,025	12,736	8,121	5,938	13,419	6,827	38,984	1,100	13,657	137,187
10- 14.....	34,437	6,370	7,779	4,410	5,112	5,588	4,445	23,148	694	7,863	99,846
15- 29.....	63,409	10,388	13,693	7,945	11,014	9,972	6,941	29,429	1,137	12,242	166,070
30- 49.....	61,201	6,695	11,170	7,340	9,945	7,015	6,719	13,372	825	8,140	132,622
50- 99.....	93,232	7,103	13,059	8,083	14,534	6,031	7,020	12,722	535	9,980	172,299
100- 499.....	235,192	16,363	37,681	16,299	35,368	6,790	11,804	21,679	2,684	12,585	395,845
500- 999.....	134,812	6,246	21,860	6,911	11,984	....	1,143	8,680	....	2,336	193,972
over 1000.....	303,968	29,939	106,199	5,488	10,915	....	5,155	22,534	....	6,342	490,540
Total.....	972,631	93,129	224,177	64,597	104,810	48,815	50,054	170,648	6,375	73,145	1,808,381
5- 9.....	4.77	10.76	5.68	12.58	5.67	27.49	13.64	22.85	17.26	18.68	8.69
10- 14.....	3.54	6.84	3.47	6.82	4.88	11.45	8.88	13.56	10.88	10.74	5.53
15- 29.....	6.52	11.16	6.10	12.29	10.50	20.43	13.87	17.19	17.83	16.74	9.19
30- 49.....	6.29	7.18	4.98	11.37	9.49	14.38	13.42	7.96	12.95	11.13	7.34
50- 99.....	9.58	7.63	5.83	12.52	13.86	12.35	14.03	7.46	8.39	13.64	9.52
100- 499.....	24.18	17.57	16.81	25.24	33.75	13.90	23.59	12.70	32.69	17.21	21.88
500- 999.....	13.87	6.71	9.75	10.69	11.43	....	2.28	5.08	....	3.19	10.73
over 1000.....	31.25	32.15	47.38	8.49	10.42	....	10.29	13.20	....	8.67	27.12
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

This Table was constructed from Tables 2-9 in *Kōjō Tokei Hō* for 1925 issued by Section of Statistics, Ministry of Commerce and Industry, Japan. Figures are based on reports of factories employing more than five persons.

Mass production in large factories is one phase of many new developments of the modern industrial system. The division of work which is usually carried to an extreme limit in such a system takes from the eyes of the working class a picture of the whole of an industrial enterprise. The more minutely the division of work is carried out, the more the workers become mechanical tools, obliterating from the workers as well as from the capitalists an all-around view of human relationship in industry. It creates in workers a type of mind, the reaction of which is mechanical, failing to distinguish between the motive and the source of stimuli, which, coupled with a lack of adjustability, results in unnecessary unrest. When one is deprived of opportunities to get a bird's-eye view of industry, the completeness of the picture of industrial relationship is lost, misunderstanding arises, offering many possibilities for labor unrest which otherwise might be averted. Paternalism, so cherished in the feudal period, encounters many difficulties when applied to large-scale factories. The size of the factory is, therefore, very important and has a close relationship to the progress of the labor movement.

CHILD LABOR

The number of juvenile workers under 16 years of age in factories was reported in 1925 at 263,132, of which 223,279 were girls. The large number of girls found in the wage earning class is due to the fact that 75.9 per cent of them, or 199,784, girls under 16 years of age were employed in the textile industries in 1925. Most of them were raw silk, cotton spinning, and weaving workers. The textile industry especially the raw silk reeling requires the dexterity of hands, and girls are preferred to boys in this respect. The lower wages of girl workers¹ may be another reason to account for the preponderance of girls in the textile industry.

¹ Cf. *infra*, ch. viii.

TABLE XV

THE NUMBER OF CHILD LABORERS IN FACTORIES IN 1925 AND IN
MINES AND TRANSPORTATION IN 1924

<i>Industries</i>	<i>Workers under 16 years of age</i>				
	<i>Boys</i>	<i>Girls</i>	<i>Total</i>		
1. Factories					
Textile	13,095	199,784	212,879		
Metal	1,778	642	2,420		
Machine and tools	6,673	1,087	7,760		
Ceramic	4,034	992	5,026		
Chemical	2,622	5,152	7,774		
Wood board and wooden works	2,223	420	2,643		
Printing and book binding ...	4,148	1,741	5,889		
Food and drinks	2,452	7,650	10,102		
Gas and electrical	20	....	20	
Miscellaneous	2,808	5,811	8,619		
Total for 1925	39,853	223,279	263,132		
1924	43,410	220,907	264,317		
1923	44,478	224,481	268,959		
1922	51,904	233,251	285,155		
1921	62,016	240,224	302,240		
2. Mines, 1924					
	<i>Under 14 years of age</i>		<i>Between 14-15 years of age</i>	<i>Total</i>	
	<i>Boys</i>	<i>Girls</i>	<i>Boys</i> <i>Girls</i>		
	365	204	1,676	1,004	3,249
3. Transportation				27,000	
Total child workers in factories, mines and transportation in 1924					
294,566					

1. *Kojyo Tokei Hyo*, 1926, pp. 27-31.

2. *Honpo Kogyo-no Susei*, 1924, p. 269.

3. *Nippon Rodo Nenkan*, 1926, p. 17. The figure represents an estimated number based on the First Census of Labor taken in 1925.

As will be seen in the table above, the number of child workers in factories has decreased by 14.8 per cent during the four years between 1921 and 1925. This is partly due to the industrial depression. During the period of industrial boom

prior to 1920, a sudden increase in the demand for labor forced employers to hire children to keep the productive capacity of the plants up to their limit. After the depression had set in, the adult workers were easily obtained at relatively lower wages (except the raw silk and cotton spinning industries), and child workers in some industries were replaced with adult workers. Probably, however, the promulgation of protective regulations¹ for child workers, and employers' preparation to meet the new situation resulting from the enforcement of these regulations are mainly responsible for the gradual decrease of child workers.

According to the Act concerning Minimum Age for Industrial Employment, children under fourteen years of age, except those between twelve and fourteen years of age who have completed a common school education, are not employable (Article 2). An exemption clause is, however, provided that children over twelve years of age who were employed at the time when the Minimum Age Act came into effect may remain in employment (paragraph 2, supplementary division). Accordingly, child workers eliminated from employment by the application of this Act were only those who were under twelve years of age. No statistical data are obtainable as yet showing the number of child workers after the Minimum Age Act came into effect (July 1, 1926), but as there were in industrial employment in 1923 only six hundred and seventy-three child workers under twelve years of age and only 8,427 children between twelve and fourteen who had not completed the six-year course of common school education,² it may be assumed that the actual number of child workers after July, 1926, is not much different from the figures shown in table XV.

¹ Minimum Age Act, no. 34, March, 1923. Amendment Act of the Factory Act, 1923, enforced July 1, 1926. Cf. *infra*, ch. xiii.

² *Shakai Seisaku Jiho*, no. 73, October, 1926, p. 233.

WOMEN IN INDUSTRY

One of the characteristics of Japanese labor conditions is that about one-half of the factory workers are women. In 1926, 50.8 per cent of the total or 1,013,425 women workers were employed in private factories. This ratio decreases to 49.7 per cent when state-owned industries employing 30,033 persons are included.

Women workers are concentrated in the textile industry, especially in raw silk, cotton spinning, and weaving. There were 791,599 women employed in the textile industry which constituted 82.8 per cent of all women workers in 1925. In the same year, the silk-reeling industry employed 315,870 women; cotton spinning, 199,372; cotton and silk weaving, 199,430; other industries related to the cotton and silk industries 37,000, making a total of 751,672. The silk and cotton industries in Japan absorb 71.8 per cent of all the women workers in factories.

The number of women is expected to increase within a few years. The Amendment Act of the Factory Act (enforced since July 1, 1926) prohibits the employment of women for night work between 10 p. m. and 5 a. m. and limits the hours of work for women to eleven daily. But raw-silk reeling, cotton spinning and weaving of silk fabrics for export purposes are exempted from these regulations, and women can be employed before 10 p. m. and after 4 a. m. until July 30, 1929. The hours of work are limited to 12 daily until August 31, 1932.¹ When these terms of privileges expire, employers will naturally find it impossible to maintain the same productivity unless more operatives are recruited.

Most of the women workers in Japan, especially those employed in the textile industry, are unmarried women. They are recruited from the peasant class, accustomed to a lower standard of living, and conservative in nature. Part of the

¹ The Amendment Act of the Factory Act, articles 3 and 4.

TABLE XVI
NUMBER OF WOMEN WORKERS IN FACTORIES EMPLOYING MORE
THAN FIVE PERSONS IN 1925

<i>Industry</i>	<i>Women over 16 years of age</i>	<i>Women under 16 years of age</i>	<i>Total women</i>	<i>Total men</i>	<i>Per cent of women</i>
Textile	591,815	199,784	791,599	181,032	81.3
Metal	7,306	642	7,948	85,181	8.5
Machine and tools	10,588	1,087	11,675	212,502	5.2
Ceramic	10,340	992	11,332	53,265	17.5
Chemical	31,980	5,152	37,132	67,678	35.4
Wood board and wooden works	4,994	420	5,414	43,401	11.0
Printing and book binding	6,475	1,741	8,216	41,838	16.5
Food and drinks	39,540	7,650	47,190	123,458	27.6
Gas and electrical	79	.....	79	6,296	1.2
Miscellaneous	29,431	5,811	35,242	37,903	48.2
Total	732,548	223,279	955,827	852,554	52.9

Kojoyo Tokei Hyo, 1925, pp. 25-31.

wages they earn are sent home to support their families ¹ and the remainder is saved for wedding expenses.

The majority of women workers quit work after they are married. This causes a higher labor turn-over in the textile industry in Japan and in turn brings up the cost of production. The short-term employment is most uneconomical for the silk industry, for the reeling of raw silk requires a skilled worker. It is said that experience of at least one year is necessary to reach the standard of the average worker.²

¹ According to the investigation made by Furukawa Police Station in 1918, the average income of women workers in the silk industry in a part of Yoshikigori, Gifu Prefecture, was 70.87 yen per year. (Lodging and a part of boarding expenses were provided by the employer.) The average amount sent home was 55.395 yen or 78 per cent of the total income. This was used partly for family expenditure and partly saved for the future use of the worker herself. The report of the Rinji Sangyo Chosa Kyoku (Emergency Bureau of Industrial Researches), series no. 47, 1919, p. 67.

² Rinji Sangyo Chosa Kyoku, series no. 47, 1919, p. 43. According to

A problem of women workers related to the labor movement is that of unionization. It is a common phenomenon throughout the world that women are not well organized. This is especially so in Japan. It is reported that there were in 1925 only 9,196 women¹ who were affiliated with any labor union.

Not only do most Japanese women quit work when they marry—and very few women remain single in Japan—but they are not prepared to understand the meaning of a labor movement. They are socially educated to consider it a disgrace to take any action against the established order, and instead of fighting against their fate, they remain at their work even when their hearts are breaking. This, however, does not mean that Japanese women never go on strike. On the contrary, we have seen recently a number of cases including the strike at the Kawasaki Branch of Fuji Spinning Mill in 1925² and that of the Dainihon Boseki (a cotton spinning mill) in 1927.³ In the former case, over 1,000 women workers went on strike; but strikes are not usually initiated by women; rather, women are forced to follow the men workers.

The short-term employment of women destroys their interest in the labor movement, so that organizing them into a fighting union is a very difficult matter to achieve. When we know that over fifty per cent of the factory workers in all industries or eighty per cent in the textile industries are women we can appreciate the problem which confronts the future of the labor movement in Japan.

the report made by the Gunze Raw Silk Manufacturing Co., the productivity of labor in reeling for the first month is about 20 *momme* of silk; the second month, 40 *momme*; the third month, 60 *momme*; the fourth month, 80 *momme*; and the fifth month, 100 *momme*.

¹ *International Labor Review*, vol. xiv, July, 1926, pp. 257-260.

² *Shakai Seisaku Jiho*, no. 64, January, 1926, pp. 182-183.

³ *Ibid.*, no. 83, August, 1927, pp. 210-12.

THE FACTORY DORMITORY SYSTEM IN JAPAN

The accomodation of employees in the compounds of factories is one of the features of Japanese industry. It is reported that out of the total of industrial establishments under the operation of the Factory Act, as many as fifty-two per cent have dormitories, where seventeen per cent of the male workers and sixty per cent of the female workers are accommodated. It is estimated that eighty-four per cent of the workers living in these dormitories are female, most of them being girls from twelve to twenty-five years of age. The following statistics give the number of dormitories and workers in them as compared with the totals of working people and establishments at the end of 1925.¹

TABLE XVII

<i>Industries</i>	<i>No. of factories</i>	<i>No. of dormitories</i>	<i>No. of Work People</i>			
			<i>Male</i>		<i>Female</i>	
			<i>Total</i>	<i>In dormi- tories</i>	<i>Total</i>	<i>In dormi- tories</i>
Textile and dyeing	8,998	5,931	177,960	58,705	780,733	524,202
Machine and tools	2,651	1,330	180,173	6,964	15,335	127
Chemical	2,493	910	109,829	11,902	44,701	2,169
Food and drinks	1,638	1,056	46,924	19,742	15,304	1,542
Miscellaneous ..	2,869	574	80,422	4,472	31,606	1,542
Special trades ..	132	29	9,837	284	339	6
Grand total ...	18,781	9,830	605,145	102,069	888,018	529,588

CAUSES FOR THE GROWTH OF THE DORMITORY SYSTEM
IN FACTORIES

The factory dormitory system has arisen from the social customs peculiar to Japan. It is also influenced by the nature and the organization of industry.

In the early stage of the industrial development of Japan, there was a general shortage of labor. It was especially so

¹ *Shakai Seisaku Jiho*, no. 83, p. 211.

for women workers because women in olden days, and even at present among some conservative peasants, are supposed to remain at home and take care of domestic affairs. The recruiting of girls in rural districts among conservative peasants is very difficult and expensive. Girl workers are usually recruited by special agents who either belong to a certain factory or act on a commission basis. There were in December, 1925, 19,935 persons who were engaged in recruiting work. Of these, 13,398 persons were recruiting workers for the silk industry; 4,363 persons for cotton-spinning mills; 1,744 persons for the weaving industry; 244 persons for other textile industries; and 191 persons were engaged in recruiting workers for building and public works. The existence of a large number of recruiting agents for the silk-reeling industry is due to the fact that the term of employment in this industry is usually one year and seldom exceeds two years. Girls quit work within a few years on account of marriage and new girl workers are to be recruited which necessitates keeping up recruiting through a large number of agents.

The recruiting agents visit peasants' homes; make presents to parents and to girls; speak of the charm of city life; show pictures of factories which certainly look magnificent to a person who lives in a peasant's clumsy hut. They even go further and advance money. The display of such elaborate tactics in recruiting girl workers is decreasing, but such practices are still extensively used.¹ Girls recruited in this way are very expensive, costing twenty to thirty yen before they begin to work. In order to evade the expenses of recruiting girls and to get a quick and easy supply of labor, the practice of abducting working girls from one factory to another was common in the pre-war period and to a great extent during

¹ On account of many abuses arising out of the competition among recruiting agents and misinformation given to the parents of workers, the Regulation of Recruiting Agents was promulgated in December, 1924. (No. 36, Department Decree, Department of Home Affairs.)

the period of the industrial boom between 1917 and 1920. The dormitory system was considered the best means to protect the workers from being abducted to other factories. Besides, the long hours of work and night work which were prevalent prior to the enforcement of the Factory Act of 1911 (enforced since 1916, amended in 1923) necessitated the adoption of the dormitory system in order to eliminate the waste of time and to assure protection for workers. The dormitory system may, therefore, be considered as due partly to social traditions and partly to the economic interest of the employers.

LIVING CONDITIONS IN DORMITORIES

In view of the fact that a large number of workers, including over 500,000 women, are living in factory dormitories, the proper supervision of the dormitories is of the utmost importance for securing the welfare of the workers. Accordingly, regulation of workers' dormitories was promulgated on April 6, 1927, by department decree No. 26 of the Department of Home Affairs, and has been enforced since July, 1927. It included regulations for fire escapes, construction of buildings, sanitary provisions for rooms and toilets, equipment for dining room, and health examinations twice a year. Although a part of this regulation has been enforced since July, 1927, the full enforcement will commence in 1930.¹

The sleeping capacity of a dormitory room is limited to sixteen persons by Article 10. But, those dormitories which have already been in use before the regulation was enforced and which are difficult to reconstruct in accordance with the

¹ The enforcement of regulations regarding the building of dormitories (articles 2, 3, 5 and 6), fire escapes (art. 4), dining room (art. 8), the maximum number of persons in a room (art. 10), the use of the same bed by more than two persons (art. 11), and health examination (art. 16) is exempted for factories where less than ten persons are employed. Cf. *Labor Gazette*, vol. vi, no. 4, April, 1927, pp. 2-3

regulation owing to the type of the construction of the room and the house, can continue by securing permission from the proper authority. Moreover, as the enforcement of this regulation is postponed until 1930, we may expect that this phase of dormitory conditions will not be materially changed.

The size of a bed-room varies considerably in different dormitories, but is usually 450 sq. ft. or less. From ten to twelve persons live together in this same room.

The sleeping space for the majority of roomers is from twenty-seven to thirty-six sq. ft., but there are a fairly large number of workers occupying on the average less than twenty-seven sq. ft.¹ It is reported that a sleeping space of twenty-seven sq. ft. is the minimum standard,² according to the opinion of the Government authorities.

The use of the same bed by more than two persons, at different times, is not practiced extensively; not so much as the use of the same bed by two persons at the same time. The practice of the former case was mainly due to the adoption of night work and two or three shift systems of the working hours.

The same report of the Bureau of Social Affairs as has been already referred to shows that 109,835 workers or twenty per cent of all the workers living in dormitories sleep two by two in the same bed.³

The report of the Factory Section of the Metropolitan

¹ In order to ascertain the conditions of factory dormitories, an investigation was carried on in June, 1925, covering 9,740 factory dormitories where 546,744 workers were lodging. (These dormitories belonged to 5,739 factories where more than ten persons were employed). The result of the investigation showed that 96 per cent of the sleeping rooms had an area of 270 to 450 sq. ft.; 3 per cent 450 to 540 sq. ft.; and 1 per cent 540 to 720 sq. ft. *Labor Gazette*, vol. iii, no. 9, September, 1926, pp. 3-7.

² J. Kinoshita, "The Regulation of Workers' Dormitories in Japan", *Shakaiseisaku Jiho*, June, 1927, p. 110.

³ *Shakaiseisaku Jiho*, June, 1927, p. 115.

Bureau of the Police Department shows that of 31,807 workers living in dormitories in the suburban districts of Tokio in July, 1924, 43 per cent of the workers used one bed, whereas 53.1 per cent of the workers slept two together in the same bed, and 3.1 per cent slept three in one bed. Although such a high ratio in the use of the same bed by more than two persons is explained in the report as due partly to the shortage of dormitories and partly to the improper buildings constructed for emergency relief after the earthquake in 1923, we can infer from this report and the one preceding that the use of the same bed by two or more persons is extensively practiced.

It is important to understand the difference between beds used in western countries and those used in Japan. Japanese beds are made up every night and put away in the morning. The bed is made of heavy quilts spread directly on the matted floor and a person sleeps between the quilts. Very few factories provide sheets and pillow cases. Quilts are sent to the laundry usually once a year. Under such conditions, the use of the same bed by different persons is dangerous from a sanitary point of view. The regulations of Factory Dormitories prohibits, therefore, the use of the same bed by two or more persons. Article 12 (to be enforced on and after July, 1929) regulates that dormitories provide bed clothing for the exclusive use of each worker. The enforcement of this regulation and the Amended Factory Act prohibiting night work for children under sixteen years of age and for all women will practically efface this evil in the factory system.

Rooming expenses are usually borne by factory owners, but workers are obliged to pay a nominal charge for boarding expenses. Practically in every case, boarding expenses are much less than the cost. According to the report of Gifu Prefecture,¹ the cost of food per person in October, 1926, was

¹ *Labor Gazette*, vol. iv, no 5, May, 1927, pp 131-132.

25.2 sen a day in a dormitory belonging to the raw silk reeling industry. Women paid only fifteen sen for three meals. In a cotton-spinning mill, male workers were charged fifteen sen and women twelve sen for three meals, while the cost of food was estimated at twenty-five sen. There is a great variation in the amount charged by the dormitories according to the industry, plant, and locality. In Nagoya City¹ which is the center of the weaving industry, workers are charged ten sen per day while the cost of food is estimated at twenty-five to twenty-seven sen.

The low cost of food to employees living in factory dormitories may seem like benevolent action on the part of the employer, but it is to be taken as deferred payment of wages. As we shall see in Chapter VIII, the wage scale of women working in the textile industry is considerably lower than that of workers in other industries, and the fact is attributed to the lower cost of living in factory dormitories. Furthermore, the lower cost of food is possible on account of its inferior quality and insufficient quantity. Dissatisfaction with food is very often a cause of labor unrest in the textile industry.² The local Government of Miyazaki Prefecture made

¹ The writer was told this directly by a factory owner of the weaving industry in Nagoya.

² In almost all the labor disputes in the cotton mills or the raw silk reeling industry, the improvement of food in factory dormitories is included in the demands. In the strike of the Kawasaki plant of Fuji Spinning Co. (November, 1925) workers' demands included the improvement of food on the basis of nutrition and cleanliness, and the serving of fish or meat once every two days. In the disputes of Dainihon Boseki, July, 1927, one of the demands submitted by the strikers was to use Japanese rice instead of foreign rice, and the reduction to 20 per cent in the ratio of barley to rice. (Japanese people eat Japanese rice in preference to foreign rice. Sometimes, in order to economize, barley is mixed with rice. Rice is the main food of workers, so that they are very particular about its quality). Cf. *Shakai Seisaku Jihō*, no. 64, January, 1926, p. 183. *Ibid.*, no. 83, August, 1927, p. 210.

an investigation¹ in 1923 on the nutritive value of the food supplied by the factory dormitories. Five factory dormitories were investigated, and one of them was found offering only 1,936 calories. The largest amount of calories given among five dormitories was 2,554, and the average was 2,301 calories. This is far less than the standard of 3,000 calories. Due to the insufficiency of food and its bad quality, the factory girls are said to spend all their pocket-money in eating whenever they are allowed to go out.

One of the evils prevailing in factory dormitories is that girl workers are not free to go out of the company compound, even during their hours of leisure. The labor disputes of a mill belonging to Dainippon Boseki (one of the four largest cotton-spinning mills) in July, 1927, revealed that girls were not allowed to go out more than four times a month. The reason for detaining girl workers in the company's compound is said to be, besides safeguarding their moral conduct, the prevention of their running away from the factory. The running away of workers means a great loss to the employer, both in time and in money, and they are detained in factory dormitories under strict supervision.

The following list of demands is the result of the investigation made by the Miyazaki Prefecture in November, 1926, of thirty-eight factories in the silk-reeling industry. The investigation covered 357 men and 4,783 women workers. The report classified the demands into ninety-four headings. The following list contains only those items which have been demanded by more than twenty persons. Miyazaki Prefecture is in Kyushu Island, away from the silk industrial center, and the labor conditions there as revealed in this report may not be representative of all other prefectures, but it proves the existence of many evils in the factory dormitories. The severe attacks on the dormitory system by social workers and trade unionists are not without reason.

¹ Bureau of Social Affairs, *Kojyo Kantoku Nenpo* for 1923, p. 116.

<i>Kinds of Demands</i>	<i>No. of Workers Demanding</i>
Concerning Labor Conditions:	
Shorter hours of work	48
Longer time to be given for eating	21
Increase of wages	139
Wage payment at a regular date	39
Lighter penalty in regard to spoiled work ..	23
Freedom in going out on rest days	72
Employers should not object to workers' going home when parents or members of the family are sick	35
Concerning Dormitory Equipment:	
Closet in room	47
Careful delivery of letters addressed to girl workers	20
Enforcement of discipline in the factory ...	34
Concerning Education and Culture:	
Supplementary education	159
Lectures on religion and culture	25
Study of etiquette	95
Instruction in sewing	60
Concerning Welfare Work:	
Factory to provide equipment for exercise ..	54
Factory to install some means of amusement	23
Factory to provide operating clothing for workers	26
Concerning Sanitation and Health:	
Cleanliness of the dining room	92
Cleanliness of the kitchen	80
Cleanliness of dishes and kitchen utensils ..	56
Extermination of mice in the rooms	34
Concerning Superintendents and Officers:	
Fairness	88
Kindness	85
Correct with kindness any short-comings of girl workers	52
Understand girl workers better	49
Officers should be more disciplined	69
Listen to the demands of workers promptly	52

Labor Gazette, vol. iv, no. 3 March, 1927, pp. 67-68.

The dormitory system deprives the workers of the freedom to choose their own means in the selection of a living place and food. It works against the interest of workers, for the

system deters the development of the labor movement. The system, however, has its merits in saving time which would be wasted in traveling to and from homes. The lower cost of living of workers in factory dormitories enables the entrepreneur to employ labor at a relatively small cost, placing him in an advantageous position in competing in the international market.

For economic reasons and social needs, the factory dormitory system will be retained in the future. The improvement should, therefore, be sought not in their total abolition, but rather in the elimination of evils. The Factory Dormitory Regulation, though far from satisfactory, is hailed as a great achievement.

LABOR TURNOVER AND UNEMPLOYMENT

No extensive study has been made yet of labor turnover. Data for any particular branch of industry is not obtainable. According to the report published by the Labor Exchange Section of the Bureau of Social Affairs, labor turnover in factories for 1925 was 58.0 per cent in the textile industry; 41.8 per cent in the machine and tool industry; 34.8 per cent for the chemical industry; 110.9 per cent in the flour mills; 65.2 per cent for miscellaneous industries; and 32.7 per cent for the gas and electric industries. The average turnover for all industries in the same year was 57.3 per cent.

Another study of labor turnover, classified according to locality, shows that the annual labor turnover in Tokio for all industries in 1925 was 51.3 per cent; Osaka, 56.7 per cent; and the average for Japan proper was 48.9 per cent.¹ The labor turnover in Osaka is usually high, for it is the centre of the textile industry where women predominate, which makes the turnover somewhat higher than in other places.

¹ The report on the labor turnover made by the Bureau of Social Affairs covers January to November only. The annual figure was obtained by adding the monthly average to the total turnover figure for the first eleven months. Cf. *The Labor Year Book of Japan*, 1926, pp. 82-84.

The labor turnover of miners is much higher than that of the industrial workers. The annual turnover of miners in 1925 was reported to be 81.6 per cent for men, and 87.12 per cent for women. The average was 83.28 per cent.¹

Labor turnover is an index of the efficiency of plant management, the relationship of capital with labor in a given industry, the contentment or the dissatisfaction of workers, and finally the productivity of labor and the cost of production. It ought to be studied, therefore, on a scientific basis, and more light should be shed on this neglected side of industrial life.²

UNEMPLOYMENT

For the first time in Japanese industrial history, the problem of unemployment began to assume national importance in 1920. The crisis which visited Japan in March, 1920, was so severe that in April the number of failures of important business houses was forty-five; in May, one hundred and six; and in June, one hundred and twenty-seven. There were runs on sixty-seven banks (excluding branches) and twenty-one banks suspended payment.³ The sudden fall of prices⁴

¹ The report of the Bureau of Social Affairs (from which these figures were obtained) shows that the number of reporting mines for discharges, hirings, and for pay roll at the end of months do not agree, and labor turnover figures worked out on this basis do not represent accurate figures. Since the number of reporting mines for the number of pay-rolls is much greater than that of discharges and hirings, the labor turnover might be greater than the figures given above. These figures are quoted to present an idea of labor turnover in the mines in Japan. Cf. *Japan Labor Year Book*, 1926, p. 91.

² *Management Engineering*, August, 1922.

³ Junnosuke Inouye, *Sengoni Okeru Wagakunino Keizai Oyobi Kinyu* (Monetary and Economic Conditions in Japan after the World War), Tokio, Japan, 1925, pp. 74-76.

⁴ Index number of wholesale prices in March, 1920, was 338. It dropped to 216 in December the same year, and to 200 in May, 1921. Cf. Bank of Japan, *Economic Statistics of Japan*, 1925, p. 111.

and the contraction of credits by banking houses caused a critical condition in industry and many factories had to shut down, and many workers in others were discharged. Dr. Ayusawa, in his *Industrial Conditions and Labor Legislation in Japan*, well described the economic depression following the crisis in 1920.

In January and April, 1921, the Railway Department discharged a large number of its employees. In 1922, the reduction of the Navy, as the consequence of the Washington Conference on Disarmament, affected the private shipbuilding industries and resulted in the dismissal of many workers. In the following March, the same fate overtook the State-controlled military arsenals and factories. In April, 1923, a wholesale discharge of the salaried staff took place and in September of the same year, the earthquake destroyed hundreds of factories and threw workers out of employment.¹

Two hundred and twenty-six factories² and mines dismissed workers because of dull business in the course of 1923, while three hundred and thirty-three others had to stop work on account of the earthquake disaster. Throughout 1924, the situation remained dismal owing to the large dismissals in May at the Army and Navy arsenals and other factories, and at the Mint. Moreover, about 20,000 Government officials and clerks through administrative and financial readjustment were discharged in November, thus further aggravating the unemployment situation.

Facing such a situation, the laboring class, instead of demanding higher wages, had then to fight against the appalling danger of losing their jobs. The "prevention of unemployment" had shown itself in the demonstration of the first

¹ Iwao F. Ayusawa, *Industrial Conditions and Labor Legislation in Japan*, p. 61.

² *The Japan Year Book*, 1926, p. 235.

May-day celebration in Japan¹ which took place on April 20, 1920. Since then the unemployment problem has become one of the most important social problems in Japan, and it supplied Socialists and Communists with material for attack on the industrial system. They did not hesitate to declare that Capitalism in Japan had reached the final stage of inevitable corruption according to the Marxian theory of economic evolution, and the labor unions in their manifestos declared such a theory as a matter of course.² Politicians and the press joined together in attacking the Government for its inability to meet the grave situation of unemployment. This problem attracted nation-wide attention despite the fact that nobody knew just how many people were unemployed or how the unemployment situation in Japan compared with that in European countries. Some people thought there were 200,000 unemployed; others said as many as 2,000,000³ including salaried staffs and workers in all occupations.

UNEMPLOYMENT CENSUS

Although unemployment was attacked as a social evil and although the demand for the establishment of a national policy was strong, the Government was embarrassed on account of the lack of reliable data on the unemployment situation. Moved by the urgent necessity of determining the extent of unemployment, the Government undertook a

¹ May Day had been celebrated before by Socialists, but the year 1920 was the first occasion in which Japanese laborers—over 5,000 workers representing 15 unions—participated in the celebration. The abolition of Article 17 of the Public Police Peace Regulation Act (see Chapter XIII of this volume), the prevention of unemployment, and the establishment of a minimum wage were watch-words of this May-Day Celebration. Cf. Koga, Susumu, *Saikin Nihonno Rodo Undo* (The Modern Labor Movement in Japan), Tokio, Japan, 1924, pp. 28-29.

² Cf. Manifesto of the General Federation of Labor of Japan (*Nippon Rodo Sodomei*) at the annual convention in February 10-12, 1924.

³ *Journal of Commerce*, New York, August 21, 1925.

national unemployment census on October 1, 1925.¹ The census covered both manual and salaried workers whose monthly income was two hundred yen or less. The census was extended to twenty-four industrial centres and mining districts and the persons investigated numbered 2,355,096. This equals 20.3 per cent of the total number of the population residing in the area under investigation. Of the total number of persons investigated, 634,412 persons belonged to the salaried class and 1,502,954 persons were manual workers, and 217,730 persons belonged to a class of casual laborers.

The census report shows that the total number of unemployed persons on October 1, 1925, was 105,612 including 19,396 persons of the salaried class, 46,278 manual workers, and 39,938 casual laborers. The ratio of unemployment was 3.15 per cent for salaried workers, 3.02 per cent for manual workers, and 19.36 per cent for casual workers.

TABLE XVIII

I. NUMBER OF PERSONS UNEMPLOYED

Classes	Men Women Total (Actual number)			Men Women Total (In per cent)		
	Men	Women	Total	Men	Women	Total
Salaried	18,410	986	19,396	3.28	1.80	3.15
Manual workers	42,420	3,858	46,278	3.82	0.91	3.02
Casual workers	38,231	1,707	39,938	19.31	20.66	19.36
Total	99,061	6,551	105,612	5.30	1.35	4.48

¹ The Japanese Diet, at its 1924-25 Session, voted an appropriation of 150,000 yen for the Unemployment Census, and an Imperial Decree was issued on March 22, 1925. See Iwao F. Ayusawa, *op. cit.*, p. 63. According to the census, the term "unemployment" meant manual or salaried workers who, having the will and willingness to work, were unable to get employment. Accordingly, the following class of people were excluded from the figures of unemployment: Infirm people, persons incapable of working through illness, persons not willing to work, persons working for themselves, workers involved in strikes and lockouts. Cf. Bureau of Statistics, Government of Japan, *Shitsogyo Tokei Chosa Sokuho* (Brief Report of Unemployment Census).

II. UNEMPLOYED PERSONS CLASSIFIED ACCORDING TO INDUSTRIES

<i>Industry</i>	<i>Salaried</i>	<i>Manual workers</i>	<i>Total</i>	<i>Casual workers</i>
Agriculture	74	411	485	
Marine	34	103	137	
Mining	230	539	769	
Industries (manufacturing) ..	4,241	29,389	33,630	
Commercial	6,652	5,581	12,233	
Transportation	2,596	6,485	9,081	
Civil service	5,469	2,588	8,057	
Domestic servants	38	581	619	
Miscellaneous	62	590	652	
Unknown	—	11	11	
Total	19,396	46,278	65,674	39,938

The 45th *Tokei Nenkan*, 1926, pp. 412-15.

The result of the unemployment census showed that the ratio of unemployment in the salaried class was higher than that of the manual workers, being 3.15 per cent for the former, and 3.02 per cent for the latter. This is unusual. The American public can hardly believe the extent of unemployment among the intellectual class. Generally speaking, it is due to the over-population and the lack of industrial development. As a result of the development of the educational system in Japan, increasingly large numbers of high school and college graduates are sent out into society year after year; but in the past few years, a fairly large number of them have been left unemployed. The report made by the Bureau of Social Affairs of the city of Tokio on the employment of school graduates in 1925 (graduated in March and the investigation took place at the end of May in the same year) shows an exceedingly large per cent of unemployed.

TABLE XIX

PER CENT OF UNEMPLOYED AMONG SCHOOL GRADUATES IN 1925

<i>Class of school</i>	<i>Number of graduates</i>	<i>Per cent of unemployed</i>
<i>Daigakko</i> (universities)	4,498	40.6
<i>Senmongakko</i> (technical and professional colleges)	6,774	46.8
<i>Chuto Jitsugyo Gakko</i> (technical schools)	6,215	13.4

Note: Reported by the Bureau of Social Affairs, City of Tokio.

See *Japan Labor Year Book*, 1926, pp. 44-45.

The report of the Bureau of Social Affairs, city of Osaka, on the employment of school graduates in Osaka and its environs shows that the rate of unemployment was 24.3 per cent in 1923; 26.5 per cent in 1924; and 22.0 per cent in 1925.

TABLE XX

UNEMPLOYMENT OF SCHOOL GRADUATES IN OSAKA AND ITS ENVIRONS,

1923-1925

<i>Class of School</i>	<i>Number of Graduates</i>			<i>Unemployed</i>		
	1923	1924	1925	1923	1924	1925
<i>Jitsugyo Gakko</i> (technical schools)	1,272	1,488	1,716	352	418	348
<i>Senmon Gakko</i> (technical and professional colleges)	423	746	696	79	201	188
<i>Daigakko</i> (universities) ...	80	103	143	0	1	27
Total	1,775	2,337	2,555	431	620	563
Per cent of unemployment				24.3	26.5	22.0

Note: Adapted from *Economist*, December 1, 1926. The report included *chugakko* (corresponding to American high school), but many graduates of *chugakko* do not seek employment at once. They enter schools of higher learning, serve their military training, or stay at home for some time. Accordingly, this class was omitted from this table, thereby reducing the per cent of unemployment almost one-half.

The percentage of unemployment of school graduates differs much according to two sources of information. This is due largely to the difference in the time of investigation. The former table represents statistics taken two months after

the graduating month, while the latter was taken many months later. Everybody tries to get promising positions at first, and it is only after several failures that they accept secondary openings. Thus, as the days pass by the ratio of unemployment decreases. Both sets of statistics, however, impress us with the astoundingly high ratio of unemployment among young intellectuals. It seems that the unemployment problem in Japan at present is not so much concerned with manual workers but rather with the intellectual class. It is purely an economic problem on the surface, but it implies a political problem as well, for unemployed intellectuals will eventually find employment in manual labor. In one sense, it is fortunate to have more educated people in the working class, but at the same time they breed labor unrest. Because of their failure to get the jobs for which their school education trained them and because of their higher learning, they tend to influence the rank and file of workers. The general economic depression and the unemployment of the intellectual class may provide a hotbed for the spread of anti-capitalistic ideals.

RELIEF OF THE UNEMPLOYED

Since unemployment insurance was lacking, labor exchanges were practically the only machinery to cope with unemployment in Japan. There were in 1924, one hundred and sixty-two labor exchanges, including forty-two private organizations.¹ The total applicants for employment in 1925 were 853,950, and 283,598 persons or thirty-two per cent of the applicants obtained employment.²

On account of the serious nature of the unemployment situation an Imperial Ordinance (number 20) was issued on February 20, 1924, to create a Committee on Labor Ex-

¹ *Japan Labor Year Book*, 1925, pp. 537-38.

² *Japan Labor Year Book*, 1925, pp. 26, 430.

changes. The function of the Committee was to enquire into the nature and the extent of the unemployment situation, and to report to the Government and municipalities the best means to facilitate the relief of the unemployed.

As a result of the promulgation of the Imperial Ordinance, the Committee on a Central Labor Exchange was created in Tokio in March, 1925, and several municipalities followed. As a result of reports submitted by these Committees, six large cities—Tokio, Nagoya, Kyoto, Osaka, Kobe and Yokohama—decided to start public works such as building and repairing roads, bridges, and water works.¹ The sum of 5,769,000 yen—estimated expenditure for the proposed works—was raised by the sale of municipal bonds. The sum of 2,435,000 yen or 42.2 per cent of the total expenditure was appropriated for wages for 1,459,834 workers altogether, the average daily employment being estimated at 11,899 persons. The Government agreed to subsidize one-half of the estimated wages, or 1,217,895 yen.

The city of Osaka, which is one of the most progressive cities in social work in Japan, has gone further in the relief of unemployed persons by creating a sort of municipal unemployment insurance.² Casual workers, by application, become members of the mutual relief association, and each is obliged to pay two sen (one cent per day during his employment. The amount paid out for relief is fifty sen per day for three days. Unemployed persons who have paid a premium for more than three days a month and who are unemployed more than three consecutive days are entitled to apply for relief. Unemployed persons as the result of labor strikes, sickness or unwillingness to work are not regarded as entitled to apply for relief.

¹ *Japan Labor Year Book*, 1926, p. 374.

² *Ibid.*, pp. 372-73. Regulations of Unemployment Mutual Relief of the Mutual Relief Society of Labor of Osaka City. This Association also loaned unemployed persons two yen or less for the term of one month. No interest was charged for loans.

CHAPTER VIII

WAGES AND THE COST OF LIVING

THE average daily income for men and women in seven hundred and thirty-one factories including ninety-seven classes of industries throughout Japan was 193 sen in March, 1927, according to the report of the Bureau of Statistics, Imperial Cabinet of Japan.¹ There was a wide range of incomes for workers in different districts as well as different branches of industry. Generally speaking, the highest wages were paid in the Kanto District which includes Tokio and Yokohama. This was followed by the Kinki District including Osaka, Kyoto and Kobe. The lowest rate of wages was found in the Tohoku District (northern part of Japan) which is far away from the industrial center.

Wages classified according to branches of industry show that the machine and tool manufacturing industry pays the highest wages. The average daily wage for one hundred and twenty-four establishments belonging to this class of industry throughout Japan was 282.8 sen for men, and 144.7 sen for women in March, 1927. The lowest wages were found in the textile industry. The average daily wage for two hundred and fifteen establishments was 162 sen for men, and 102 sen for women in the same period. Wages for children under sixteen years of age in this class of industry were only 100 sen for boys and 70.7 sen for girls.

The following table shows the daily wages (including cash bonuses) in yen for different branches of the manufacturing industry, the mining industry, and transportation.

¹ *Chingin Bukka Tokei Geppo*, no. 22, June, 1927, pp. 3, 9.

TABLE XXI

DAILY INCOME (WAGES AND BONUSES INCLUDED) FOR WORKERS IN INDUSTRIES
TRANSPORTATION AND MINES IN JAPAN FOR MARCH, 1927

Industries	Reporting Factories or Estab- lishments	Average for Men and Women	Average	Daily Income (wages and bonuses) Men		Average
				Under 16 years of age	Over 16 years of age	
All industries.....	211	203.8	271.3	110.9	276.3	108.3
Ceramic	13	221.0	235.2	118.6	242.7	103.8
China ware.....	6	169.6	184.5	...	184.5	92.3
Glass	5	231.3	244.1	119.7	255.8	105.0
Metal	20	347.9	356.9	109.9	359.1	132.1
Refining	3	318.0	320.1	103.4	321.6	124.2
Rolling	7	344.3	348.6	108.6	349.7	150.4
Moulding	4	438.2	449.6	172.7	450.8	138.1
Machine and Tools	38	300.7	307.9	95.3	313.2	133.3
Electric motor and electric machines	13	278.1	303.7	90.5	307.0	139.4
Spinning and weaving.....	4	288.7	319.6	133.4	328.3	126.4
Engines, Electric cars and coaches.....	2	532.6	537.2	....	537.2	184.3
Ship building.....	11	291.9	294.4	94.3	300.7	102.7
Chemical	20	176.8	232.6	90.9	234.8	96.2
Medical drugs	2	171.8	223.6	72.8	225.6	90.9
Soap mfg.	2	136.6	187.2	77.6	191.6	84.6
Match mfg.	3	105.4	189.5	76.1	198.4	79.6
Oil and Wax.....	2	223.4	232.7	...	232.7	94.0
Rubber articles.....	4	217.5	270.2	131.4	271.8	113.4
Textile	63	122.9	169.7	129.6	172.4	107.4
Raw silk reeling.....	6	70.2	92.9	47.5	101.1	68.5
Cotton whipping	2	112.7	135.9	72.6	143.0	96.4
Cotton spinning	19	124.2	159.9	146.9	161.1	113.4
Silk weaving.....	7	115.3	171.7	76.3	175.6	93.8
Cotton weaving.....	3	121.0	147.5	82.5	147.9	112.0
Hosiery	5	146.4	124.1	91.7	238.1	123.9
Paper	8	167.2	190.6	124.9	191.2	100.4
Food and Drinks	23	178.4	212.0	112.1	212.4	111.3
Flour mill	2	203.7	244.3	....	244.3	94.8
Confectionery	3	88.6	117.9	....	117.9	72.9
Sugar refining	4	216.6	227.6	119.7	227.9	111.2
Canning	4	109.8	151.0	....	151.0	88.4
Tailor, underwear and shoe mfg..	4	129.4	184.9	97.1	214.9	112.7
Building trade	1	339.5	358.6	....	358.6	82.9
Printing and book binding	5	259.1	284.7	84.2	302.2	134.9
Gas and Electrical	7	232.4	235.6	59.3	236.1	113.4
Transportation and Communi- cation	178	169.2	187.8	110.9	188.2	97.5
Communication.....	5	110.6	141.5	112.4	142.1	93.0
Telephone operators .....	..	91.2	....	....	....	91.2
Post men .....	..	173.8	174.5	111.5	175.8	139.9
Transportation	173	193.0	194.9	109.7	195.2	135.1
Railway	5	197.7	199.6	86.9	199.7	84.2
Electric car	6	198.1	201.3	104.4	202.0	110.2
Sea	155	175.0	175.0	144.6	175.0	....
Mining	28	166.5	174.5	110.6	175.8	137.0
Metal mines	3	145.2	155.6	71.8	161.7	72.8
Coal mines.....	25	166.8	174.8	113.0	176.0	137.5

Quoted from Bureau of Statistics, Imperial Cabinet of Japan, *Chingin Bukka Tokai Geppo* (Monthly and Prices), no. 22, June, 1927.

¹ Wages for workers in industries and transportation represent Kinki district or the central part of Japan, Osaka and Kyoto. This is the largest industrial center of Japan. Wages for miners represent Fukuoka Island. This is one of the largest mining districts in Japan. Wages for the building trade represent the

Glancing at the wage scale, we notice at once that the average wage for girls under sixteen years of age was about 70 per cent of the wage paid to boys, while the average wage for women was only 42 per cent of the men's wage, ranging from 23.1 per cent in the building trade to 83.1 per cent in the cotton-whipping industry. The smaller difference in wage rates between boys and girls may be due to the fact that both are employed as apprentices or for minor work and are paid at the minimum rate. The wide discrepancy in wage rates for men and women is partly due to the method of tabulating statistical data. The work engaged in by men is often different from that of women even in the same industry, and average wages classified according to industries do not reveal the true difference of wages paid to men and women for the same kind of work. In the textile industry where the work performed by men and women is not radically different, the wage rate for women was as high as 67.9 per cent of the rate for male workers.

Generally speaking, however, women's wages are much lower than those of men. Besides the many factors usually contributing to lower wages for women some labor conditions peculiar to Japan must be taken into consideration.

Most women employed in factories lodge and board in factory dormitories, and a large percent of this expense is borne by the employer. On account of the advantages derived from living in factory dormitories, money wages paid to women workers are much less than they would be otherwise.¹ The inefficiency of women workers due to the short period of

¹ Ignorance of the relation between the wage scale and a part of the expenses of the employee borne by the employer in the textile industry in Japan leads to a grave misunderstanding and to an utterly wrong conclusion. This is especially so when wage rates prevailing in Japan are taken as an indication of assumed competition against workers in another country. It is neither scientific nor fair to use the rate of money wages alone, irrespective of other conditions affecting real income of workers. Cf. *Monthly Review*, U. S. Bureau of Labor Statistics, August, 1927, pp. 25-27.

their labor life is another factor tending to lower the wage scale for women. Usually women workers are not the principal supporters of the family, but they work either to obtain means to prepare for their weddings, or as partial supporters of their families,¹ and they cease to work after they get married. The fact that about twenty-three per cent of women factory workers are girls under sixteen years of age tends to lower the average wages of women. Furthermore, the non-unionization of women workers must be added as one of the important causes keeping wages for women low. When women are not organized, they have very little power to bargain for their labor and wages, and they are at the mercy of the employer.

BONUSES

Table XXII represents the daily income of workers, including wages and cash bonuses. No figures showing the ratio between wages and bonuses are available. The bonus is given out in the form of money or in kind usually with the purpose of encouraging regular attendance, or to keep workers in the continued service of one employer. It is also given with the purpose of promoting labor efficiency. The amount of such income has not been studied on a national basis. According to the investigation² made by the Municipal Bureau of Social Affairs of Osaka, the average daily wage for men in 1925 was 194.8 sen and for women, 103.1 sen, but the aggregate daily income reached 247.1 sen for men and 125.1 sen for women. The bonus thus added 26.8 per cent and 21.3 per cent to the wages of men and women respectively. Bonuses are not given out to workers on the basis of contract but depend entirely upon the discretion of the employer. It differs in each industry and with each employer. Industrial

¹ Cf. *supra*, ch. vii.

² *The Labor Year Book of Japan*, 1926, pp. 103-4.

activity or depression immediately affects the bonuses, and there is no way of judging whether or not the percent of bonuses above referred to is representative of the whole country, or how it differs from preceding years.

TABLE XXII

I. NUMBER OF FACTORIES GIVING BONUSES IN KIND

OCTOBER 1, 1924

<i>Industry</i>	<i>Number of Factories Investigated</i>	<i>Number of Factories Giving Bonuses in Kind</i>	<i>Per Cent</i>
Textile	141	104	73.76
Machine and Tools ...	238	56	23.53
Chemical	219	139	63.47
Food and Drinks	25	21	84.00
Miscellaneous	164	43	26.22
Special	11	4	36.36
Total	798	367	45.99

II. TYPES AND VALUE OF BONUSES GIVEN IN KIND

<i>Types of Bonuses</i>	<i>Number of Factories</i>	<i>Number of Workers Receiving Bonuses</i>	<i>Estimated Value of Bonus per Worker (per month) Yen</i>
Free Meal	274	38,903	4.32
Rice	20	3,476	2.15
Clothing	86	1,839	3.59
Dormitory	276	35,875	2.50
Houses	103	4,664	9.68
Total	759	84,757	3.73

III. THE ESTIMATED VALUE OF BONUSES PER WORKER IN DIFFERENT INDUSTRIES

<i>Industry</i>	<i>Number of Factories</i>	<i>Cost of Articles Purchased and the Estimated Amount of Rent (yen)</i>	<i>Monthly Payment by Workers (yen)</i>	<i>Number of Workers</i>	<i>Actual Amount of Bonuses (yen)</i>	<i>Monthly Bonus per Worker (yen)</i>
Textile	268	430,053.31	195,979.50	72,583	234,073.81	3.22
Machine and Tools.	94	29,059.82	12,617.11	2,198	16,442.71	7.48
Chemical	267	60,151.01	13,215.78	6,950	46,935.23	6.75
Food and Drinks ..	46	12,934.09	2,412.58	1,513	10,521.51	6.95
Miscellaneous	77	11,417.71	3,986.76	1,401	7,430.95	5.30
Special	7	770.90	288.50	112	482.40	4.31
Total	759	544,586.84	228,500.23	84,757	315,886.61	3.73

It is to be noted especially in connection with bonuses that there are a considerable number of factories in Japan which offer bonuses in the form of kind, such as free meals, rice, clothing, and factory dormitory living. According to the first census in Osaka City taken in October, 1924, there were 367 factories, or 46 per cent out of the 798 factories investigated, giving bonuses in kind. The majority of workers received bonuses in the form of free meals and free lodging. Out of 84,757 workers investigated, 38,903, or 45 per cent, received free meals one to three times a day, and 35,875 persons or 42 per cent lived in factory dormitories receiving free lodging and food at lower cost.¹

WAGES AND PRICE LEVELS

There are several sources of information on wages and price levels. They are not, however, serviceable for the purpose of comparing the movement of these two indices on a national scale due to the lack of the coordination of the area covered in the investigation and the base year on which the index number was constructed. Two index numbers of wholesale prices in Tokio² were compiled by the Bank of Japan. One is an index number based on the year 1900 and the other, on July, 1914. The former is comparable with the index number of wages³ (1900 to the first half of 1920) compiled by the Department of Agriculture and Commerce, but wages for parts of the country other than Tokio are not

¹ Municipal Bureau of Social Affairs, Osaka, *Daiikai Rodo Tokei Jitchi Chosa Gaiyo* (Brief Report of the First Labor Census), October, 1924, p. 32.

² Bank of Japan, *The Monthly Report of the Wholesale Prices in Tokio*. See also *Economic Statistics of Japan*, issued annually by the Bank of Japan.

³ Section of Statistics, Department of Agriculture and Commerce. Japan, *Wages for 1900 to the first half of 1920*. It covers 45 different trades and both actual wages and index numbers, 1900 being taken as 100, are reported.

included. The latter may be compared with the index number of wages compiled by the Department of Commerce and Industry¹ from statistics reported by important Chambers of Commerce in various parts of Japan. Since the price index refers to Tokio and the wage index to the country as a whole, no adequate comparison is possible. The index number of wages and wholesale prices in Tokio and Osaka, July, 1920 taken as 100, was compiled by the Chambers of Commerce in each city respectively. The comparison of the movement of these two index numbers gives a better picture of the relationship between the wage movement and the price fluctuations, because both of them have coordination in the area investigated and the base year on which both index numbers were constructed was the same.

The comparison of the wage scale and the wholesale price index does not reveal the true situation as regards the purchasing power of wages, since wages should be compared with the fluctuations of retail prices. On account of the absence of cost-of-living figures prior to 1922, the real wages of workers, neither in the pre-war period nor during the war are obtainable. The index number of retail prices was first compiled by the bank of Japan in 1922. It is based on retail prices in July, 1914,² taken as 100, and gives separate figures for food stuffs, fuel and lighting, clothing and miscellaneous items. Further study of this subject must be looked for in

¹ The report is the result of the investigation of 46 different trades between 1885 and May, 1925. The index number was constructed with 1914 as the base year. See *Tokei Yoran* (Brief Labor Statistics) issued by the Bureau of Statistics, Government of Japan, 1926.

² Bank of Japan, *Monthly Report of the Retail Prices in Tokio* Sources of information on wages and prices, besides those already referred to, are (1) *Monthly Report of Wages and Prices* issued by Bureau of Statistics, Imperial Cabinet of Japan, (2) *Tokei Jiho* (Statistical Bulletin) issued every three months by the Bureau of Statistics, Imperial Cabinet of Japan. See also *Teikoku Tokei Nenkan* (Statistical Annual of Japan) issued by the same Bureau.

the future when price and wage statistics are compiled, giving information for a fairly long period.

As will be seen in table XXIII, the trend of wages and wholesale prices in the pre-war period shows, excepting the years 1904 to 1906, a constant increase of wages, greater than the increase in prices. In 1913, the index number of wages was 157.2 while that of prices was 132.07 only. Since 1913 up to the first part of 1920, both wages and prices increased in magnitude; but up to 1919, the increase of wages lagged far behind the price change, and in 1916 there was a gap of 35 points; in 1917, 55 points; in 1918, 66 points; and in 1919, 79 points. It was only in 1920 that wages increased more than prices. This accords with the phenomena which took place during this period in other countries. Contrary to the general belief that wages move in sympathy with price fluctuations the wage index in Japan since 1920 showed a constant increase up to 1925 while the price level declined. Taking the figures for wages and prices in July, 1920, as 100, the wage index in 1925 reached 115.44, and the price index 92.25. There was a gap of 23.19 points.

The increase of wages in contrast with the price level is generally attributed to the activity of organized labor which began to assume importance in 1919. Back of this theory, there is an assumption that the wage scale which has prevailed in the pre-war period and the period during the War was considerably lower due to the fact that wages were not fixed on the basis of collective bargaining. The pressure brought upon the employer by the activity of labor enabled the worker to get more from the employers. There is no statistical data, either to prove this theory or to refute it; but, more than anything else, the economic prosperity during the War and the increased demand for labor were responsible for the increase of wages, while the increased productivity of the laborers since the War period enabled the laboring class to

TABLE XXIII

Year	Wages (1) 1900, =100	Prices (2) 1900, July=100	Wages (3) 1914 =100	Prices (4) 1914, July=100	Wages (5) 1920, July=100	Prices (6) 1920, July=100
1900	100.0	100.04				
1901	104.7	95.97				
1902	107.7	96.90				
1903	109.5	103.09				
1904	107.5	108.36				
1905	112.1	116.36				
1906	118.4	119.75				
1907	134.1	129.29				
1908	143.0	124.55				
1909	144.1	118.76				
1910	148.5	120.30				
1911	152.8	124.70				
1912	157.2	132.07				
1913	160.8	132.34				
1914	160.1	126.31	100.0	95.0		
1915	158.6	127.76		99.0		
1916	163.1	154.58	102.0	137.0		
1917	186.8	194.50	118.0	173.0		
1918	245.5	254.76		155.0	221.0	
1919	348.8	312.13	224.0	303.0		
1920-a	456.8	385.41	....	....
1920-b .....	....	343.19	309.0	216.0	100.0 (July)	100.0 (July)
1920-c .....	.. .	299.30	....	....	101.11	97.88
1921 .....	....	....	328.0	220.0	102.33	92.61
1922 .....	....	....	328.0	192.0	110.44	88.08
1923 .....	....	....	351.0	221.0	110.84	87.95
1924 .....	....	....	346.0	225.0	113.24	92.51
1925 .....	....	....	....	115.44		92.25

WAGE SCALES AND WHOLESALE PRICE LEVEL

Note (1) Section of Statistics, Ministry of Agriculture and Commerce, Japan, *Wages for 1920 to the first half of 1920*, p. 3.

(2) Bank of Japan, *Index Number of Monthly Average of Wholesale Prices in Tokio* (July, 1900 taken as 100).

(3) *Rodo Tokei Yoran*, pp. 104-114. Average index number of 45 trades. 1914 is taken as 100.

(4) Department of Finance, Japan, *Quarterly Report of Financial and Economic Conditions in Japan*, November, 1926, p. 30. *Wholesale price in Tokio* (July, 1914 taken as 100) compiled by the Bank of Japan.

(5) Index Number of Monthly Average of Wages in Osaka, compiled by the Osaka Chamber of Commerce. Quoted from *The Third Annual Bulletin of the Financial and Economic Statistics of Japan*, prepared by the Institute for Commercial Research, the Kobe Higher Commercial School, 1926, p. 154.

(6) *Ibid.*, p. 138. Index number of monthly average of wholesale prices in Osaka.

a—First half of 1920. b—the whole year, 1920. c—the last half of 1920.

maintain higher wages in spite of the continued economic depression following the crisis in 1920.

During the period of the economic boom between 1917 and 1920, manufacturers were able to dispose of old and inefficient machines by exporting some of them to China (mostly cotton spinning and weaving machines) and new and more efficient machines were installed. The advanced education of the laboring class in general and the improved methods of factory management worked together to increase productivity to a great extent, and this in turn compensated the employer, enabling him to pay higher wages without injuring his financial status.

The index of the per capita productivity of laborers is obtainable by dividing the aggregate value of the annual production by the number of workers employed. Since production statistics in Japan are incomplete, no exact figure is obtainable. The index number of the value production of twelve important industries employing over 1,500,000 workers in 1924 was 297.4 per worker, when 1914 was taken as 100. The production of cotton spinning and the manufacturing of silk fabrics increased by 390 per cent respectively. The index number of prices in 1924 was 221. Adjusting the value production by price index, the result shows that per capita productivity increased, roughly calculated, by 73 per cent during the ten years between 1914 and 1924.¹

The financial analysis of corporations and partnerships in the first half of 1914 shows that there was a reserve fund amounting to 115,052,000 yen. The average profit for this year was 12.2 per cent. In 1925, there were reserves and undivided profits amounting to 747,779,000 yen. The average earnings for the first half of the same year were reported at 13.5 per cent.² Financial conditions made public may not be

¹ Materials for the calculation of the index number were obtained from the 45th *Teikoku Tokei Nenkan*, 1926, pp. 131-32.

² *The Oriental Economist Year Book*, 1926.

indicators of the true status of industry, if there were secret reserves in 1914 or, if the inventory of merchandise and fixed assets were over-valued, which is often done in times of industrial depression. So far as the published financial reports are concerned, they demonstrate the fact that the increase of wage scales since 1914 was not at the expense of profits.

Economic analysis accounts for the rise of wages in the past irrespective of the price movement, but there seems no guarantee for the further rise of wages regardless of the fluctuation of prices and economic oscillation. The financial analysis of the last half of 1925 indicates that the percentage of profit declined from 13.5 per cent in the previous period to 11.9 per cent. The wage scale began to decline in April, 1925, when the index number, August, 1923, taken as 100, showed 99.73. In January, 1926, it declined to 97.05 and in July, to 94.36. The retail price began to decline steadily from November, 1925. The index number showing 98.44 in the same month had declined to 97.50 in January, 1926, and to 91.24 in July of the same year.¹ Although retail prices have declined more than the wage index, there was yet a very close relationship in the movement of these two indices.

Organized laborers may demand higher wages, and at some time they may win, but in the long run wages tend to adjust themselves with the price level and the rate of profit; and if they go up, it will be the result of increased productivity either through industrial efficiency or the elimination of waste coupled with the general elevation of the standard of education of the laboring class. It may also be the result of the acceptance by the capitalist of lower profit. This, of

¹ *Economist* (monthly magazine issued in Japan in Japanese), October, 1926. Wages in Tokio were reported by the Tokio Chamber of Commerce. • Retail prices were reported by the Bank of Japan. Index numbers were compiled by the *Economist*.

course, leads up to the question of the ethical matter of the justification of profit, and also involves the problem of interest and dividends as well. Since capital investment demands dividends not less than current interest rates which are unusually high in Japan,¹ the capitalists' demand for maintaining high rates of profit will not cease, and wage increases, under normal economic conditions, will be possible only through increased productivity.

MINIMUM WAGES

Every labor union in Japan demands in its manifesto and through the May Day Celebration, the establishment of a minimum wage system. It involves, however, a problem of the standard of living which is not determined in Japan. Furthermore, it brings up the question of the flexibility of minimum wages to newly developing economic conditions. The minimum wage is subject to alteration by change in either the industrial conditions, demanding lower cost of production, or the cost of living.

Industrial prosperity or depression in Japan depends, to a great extent, upon foreign markets; and industrial instability is not infrequent on account of the market fluctuations in foreign countries due to competition, tariffs, the use of substitutes, fluctuations in rates of exchange, disturbances in foreign markets, and the failure of the production of raw materials in producing countries.² These, of course, work adversely in any industrial country but their effect is intensified in proportion to the extent of the dependence of a nation's industries upon foreign markets. In order to compete in international markets under these adverse circumstances, a lower cost of production is of prime importance for an exporting country; and a minimum wage, unless it is fixed

¹ Cf. *supra*, ch. iii.

² Cf. *supra*, ch. iv.

at a sufficiently low point, will be subjected to constant change from economic necessity. A minimum wage will also be subject to change if the cost of living changes. Rice constitutes a main item of food and the fluctuation of the price is not infrequent irrespective of industrial conditions. Crop failure and consequent high price of rice may occur in a year of industrial depression.

Some people advocate the application of the minimum wage system to women, but it involves problems requiring serious consideration. In 1924, 77.5 per cent of the working women were employed in the silk and cotton industries. The prosperity of the raw silk industry as well as the cotton industry depends largely upon foreign markets, the former on the American market and the latter on Chinese and Indian markets. The marketing of these articles is sensitive to the fluctuation, of foreign exchange. The disturbance of prices and the demand for raw silk, have been frequently brought about by the appreciation or the depreciation of the yen exchange in New York. Fluctuations in the price of silver immediately affect the purchasing power of the Chinese and it proportionately affects the cotton industry in Japan. The price of raw silk is greatly affected by the use of the substitute—"Rayon"—while cotton goods in the Chinese markets are subjected to extreme fluctuations because of the continued disturbances in China. If the Indian Government adopts the proposed higher tariff for Japanese cotton goods,¹ the cotton industry in Japan will suffer either from the decreased demand or from the forced reduction in the price in order to maintain the same competitive power in the Indian market.

Thus, economic analysis suggests that unless industrial conditions and the cost of living in Japan are brought under control, and stability is achieved to some extent, the operation of the minimum wage system will encounter insurmountable

¹ Cf. *supra*, ch. iv.

difficulties. There is an urgent necessity for research in this field, which shall take into consideration the special economic conditions prevailing in Japan independent of what has been done in other countries.

Wages in Japan are not only affected by the industrial conditions but the oversupply of labor¹ tends to lower wages. The highest wage point is limited by the entrepreneur's ability to pay, and where oversupply exists workers can not get the maximum pay, but wages may be lowered. The lower margin of wages is usually said to be the point below which no worker can maintain himself. This lowest point in Japan is not to be sought among industrial workers, but rather among tenant-farmers² who constitute a vast reservoir of industrial labor supply. There is a force constantly working which tends to lower the wages, and the only means of checking the downward trend seems to be artificial—labor organizations and increased productivity.

MODE OF LIVING AND FAMILY EXPENDITURES

The money spent for the acquisition of the necessities is greatly modified by the efficiency or the inefficiency of individuals. It is also affected by the social conditions under which one lives.

Instead of living together with parents, young couples in the Western countries start a new life, often totally inexperienced in housekeeping. In Japan, young married people live with their parents and the information and advice from them help the new couple to eliminate waste which otherwise is great and often inevitable. Besides helpful suggestions coming from parents, the congested living and closely related community life in rural districts permit an easy spread of news and imitation soon starts. Thus, there is a strong force constantly working to assimilate a heterogeneous mode

¹ Cf. *supra*, ch. vi.

² Cf. *supra*, ch. v.

of living, but this assimilation in visible form is limited to a class of people whose economic status is similar.

The differences in the visible modes of living in Japan are very much greater than they are in the Western countries due to so-called *nijuseikatsu*¹ of the well-to-do class. This creates a strong desire among the mass of people, who, being unable to attain a high standard of living within their income, feel a strong social pressure which creates mental unrest.

Food, clothing and shelter constitute essentials of family expenditures, and some account of these items will show the difference between the mode of living in Japan and in Western countries.

FOOD STUFFS

The principal food stuffs consumed in Japan are rice, barley, buck-wheat and noodles. *Miso* (bean paste) and soy sauce (made of soya bean, barley or wheat and salt) are used for soup and seasoning respectively. Several varieties of sea weed, vegetables commonly found in the American markets and the giant white radish, *gobo* (the clod burr), *konnyaku* (root of hydrosme, powdered, boiled and condensed by lime water), and *tofu* (a sort of bean custard) enter into the daily diet. Eggs and fish are extensively used but the consumption of meat is limited.

The per cent distribution of rice in the total cost of foods for the average family of five was 39.65 per cent or 14.20 yen per month, and barley, 0.56 per cent or 0.21 yen, according to the report of the Bureau of Social Affairs.² The enquiry into the cost of living by Kyochō-Kai³ shows that the cost of rice

¹ *Nijuseikatsu* signifies two modes of living—Japanese way and the Western way in clothing, diet, shelter, etc.

² Section of Health Insurance, Bureau of Social Affairs, *op. cit.*, 1923, pp. 120, 140.

³ The Kyochō-Kai (Association of Harmonious Cooperation) was created in 1921 with the purpose and aim of research and investigation of

and barley was as high as 53 per cent or an average of 15.32 yen for income groups of fifty to three hundred yen.

The importance of rice to the Japanese can be illustrated by the fact that during the feudal period and in the early part of the industrial life of Japan, when the money economy had not penetrated to the far corners of the country, rice was the measure of wages, and laborers received rice sufficient to fill their stomachs. Even today in this industrialized stage, rice does not cease to be an important item entering into the family budget. In the Western countries, the expenditure for food is distributed more evenly among various items, and no one item amounts to as much as fifty per cent.

The fluctuation of the price of rice disturbs to a great extent the welfare of the rice consumers. Japanese have a peculiar attachment for the rice produced in Japan¹ and they stick to the domestic rice in spite of the fact that imported rice is obtained about 30 to 40 per cent cheaper. This peculiar attraction limits the source of supply, and the success or the failure of the crop immediately affects the equilibrium of the supply and demand, and violent fluctuation in price often occurs to the detriment of the welfare of the laboring class as well as of the public as a whole. The rice riot² which broke out in 1918 was mainly due to the excessively high price of

every scheme and measure of social reform with a view to putting it into operation and, furthermore, to effect harmonious cooperation between the entrepreneur and the worker. Cf. Nagai, T., "The *Kyocho-Kai*, Its Aim and Works," Tokio, 1921.

¹ The special attraction of the domestic rice may be due to the present method of cooking. If various methods of cooking rice were introduced, more of the imported rice might be consumed. But the improvement of cooking necessarily brings in the problem of installing ovens and the use of fuels other than straw, logs and charcoal. We shall take up these problems later in this chapter.

² The rice riot was started in a fishing village in Toyama Prefecture in the northern part of Japan, and the riot spread all over the country. Many wealthy people and rice dealers were attacked. In Kobe, the rice riot was subdued only by the military forces.

rice on account of the War boom and relatively short crops for the period of two years.

Thus, the stabilization of the price of rice, and the security of its supply, have been problems of fundamental importance to each successive government in the past and will be so in the future. As a means of securing the stabilization of the price of rice, the government sanctioned by law the buying up or the selling off of rice to such an extent as to stabilize the price of rice; but as the following figures show, the plan has not worked out as successfully as was hoped.

The average price of rice ranged from 35.40 to 43.0 yen per *koku*¹ in 1924, and from 36.70 to 45.70 yen in 1925. The price fluctuated 21.4 per cent and 24.5 per cent in 1924 and 1925 respectively. Rice to a Japanese corresponds to both flour (including bread) and meat in Western countries, but neither of these fluctuates so much in price as does rice.

FISH

The Japanese are supposed to consume a great deal of fish, but the lower income group cannot afford to get fish every day. On an average, it enters into the diet about once every day for city dwellers and probably twice or three times a week for country people.² Those living in interior Japan may taste fresh fish very seldom on account of the lack of cold storage and refrigerating systems in transportation.

MEAT

The consumption of meat is very limited in the Japanese home on account of its cost.³ To illustrate, the per cent

¹ One *koku* equals to 5.119 bushels.

² People living near the sea shore find it very expensive to consume fish, for fish are taken away to the nearby cities.

³ The price of good beef per pound in August 2, 1927, in Osaka was quoted at 144 sen; pork, 90 sen; and chicken, 156 sen (bones removed).

of money spent for meat was only 5.49 in 1921, amounting in actual money value at 1.99 yen per month. We may assume, therefore, that the amount of meat consumed by a family of five for one month is not more than three pounds. The consumption of meat in the United States averages 10.47 pounds per man per month,¹ or it would be about 52 pounds per month for a family of five. Thus, the per capita consumption of meat in Japan amounts to about one-seventeenth of the consumption of the United States.

CLOTHING

The Japanese may be considered extravagant in their use of two kinds of clothing—Japanese kimonos and Western suits or dresses—for three different seasons. The climatic conditions cannot be controlled. The habit of using two different kinds of clothing is one which has been acquired since Japan came in contact with foreign countries. The use of the Western style of dress for women has not developed yet except for young girls in elementary schools and high schools,

The high price of meat is partly due to the limited production. The number of slaughtered calves in 1924 was reported at 25,920; cows, 318,530; horses, 77,445; and hogs, 588,967 (The 45th *Teikoku Tokei Nenkan*). The high price of meat is not, however, wholly attributable to the limited production, but the disproportionate demand for selected meat is also responsible for this.

The Japanese have not developed the habit of consuming meat in various ways. The lack of ovens in most Japanese homes makes it impossible to use different grades of meat. The installment of ovens is not practical for the average Japanese home on account of the high cost of ovens and the fuel. Thus, the consumption of meat is mostly for *sukiyaki* or stewing. *Sukiyaki* is a kind of dish in which thinly sliced meat is cooked together with vegetables and seasoned with sugar and soy sauce. This requires tender meat.

¹ *Monthly Labor Review*, August, 1919, Bureau of Labor Statistics, Department of Labor, United States, "A Study of Food Costs in Various Cities." The figure was obtained by averaging the pounds of meat consumed per man per day in twelve districts in the United States for 1918 and 1919. The average thus obtained was converted into a monthly figure.

and for a limited number of women in the metropolitan districts. Officials, civil servants, business men and salaried clerks extensively use suits of Western style in offices, while the kimono dominates in the homes. Many people have morning coats and also a complete set of kimonos for each season. Common workers, on account of their limited income, cannot afford to have two kinds of clothing for each occasion but they have at least three sets for each season—one for use in the factory, one for home use, one for ceremonial use.

Since two kinds of clothing are used, the Japanese have to have two kinds of shirts, shoes, stockings—one set to go with the kimono and the other set to be used with the Western clothing. Japanese shirts are useless with foreign clothing. Japanese shoes are wooden clogs and usually are of two kinds, one for dry weather and the other for rainy days. Everybody keeps two or three sets of them at least. The price depends much on the quality, but a common quality costs somewhere between 50 sen to 150 sen per pair. *Geta* last only two or three months and no repairing is possible except for *amageta* which are used only on rainy days. *Tabi*, a kind of stocking, are used only with Japanese shoes.

SHELTER

Most of the city dwellers are living in rented houses. The well-to-do class live in a house which combines the Japanese and foreign style, but the number of people living in such houses is small. Although the size of houses per capita dwellers is not great, and no coal is burned for heating, and there is no running water either hot or cold, the monthly rent per mat (the size of one mat is 3 by 6 feet, or 18 sq. ft.) in 1923 was 1.38 yen in Tokio and 1.27 yen in Osaka.¹ The

¹ Kyochō-Kai, *Daisankai Jenkoku Yaachin Shirabe* (The Third Enquiry into House Rents in Japan), 1925. The investigation covered twenty cities throughout Japan during the month of November, 1923.

average space occupied by one person was 2.9 mats in Tokio and 2.8 mats in Osaka for the income group of fifty to three hundred yen per month. The average number of mats in one family was reported at 12 in Tokio; 12.4 in Osaka; and 14.9 for six other districts.

FUEL AND LIGHTING

Wood and charcoal are the principal fuels in rural districts, and for lighting, oil lamps still predominate. Among urban dwellers, charcoal and gas are extensively used for fuels. For lighting, electricity is found in every home. Gas is also used to a great extent. Charcoal is very expensive in Japan. The average price of charcoal in August, 1927, in Osaka was quoted at 40 sen per *kan* (8.3 lbs.). Firewood is less expensive, costing about 14 sen per *kan*.

STANDARD OF LIVING IN JAPAN

Prof. Morimoto of Tohoku Imperial University published in 1918 the result of his study on this subject, but on account of the limited number of people and occupations he studied, the result obtained by him is not considered representative. However, we shall quote his summary below as it may help in comparing the total cost of living to be discussed later.

. . . the result of this study shows that in 1913 in the large cities a normal family of 3.3 units with an income less than 200 yen (per year) could not maintain existence, and with an income less than 960 yen could not maintain a standard of efficient living. In the small cities, the respective figures are 180 yen and 860 yen. In short, the minimum cost of living in Japan (Tokio) is 960 yen, and the distribution of this expenditure is 336 yen for food, 96 yen for clothing, 168 yen for housing, and 360 yen for other items. This amount of income, if expended in the most economical way, permits the normal mode and scale of activities adjusted not only to the necessities, but also in a slight degree to decency and comfort.¹ *

¹ Kokichi Morimoto, *Standard of Living in Japan*, p. 141.

The standard of living in 1926 on the basis of the figures determined by Prof. Morimoto would cost 439 yen for a minimum standard and 1,950 yen for an efficient standard.¹

SOURCE OF INFORMATION ON THE ACTUAL COST OF
LIVING IN JAPAN

The first enquiry into the cost of living was conducted by Dr. Takano in 1916 and in 1919 among the laboring class in Tokio. The investigation covered only twenty families in 1916 and ninety families in 1919. In the latter case, fifty families failed to supply the records of expenditures.

An enquiry covering a fairly large number of families was started in 1921 by the Section of Health Insurance, Bureau of Labor, Department of Agriculture and Commerce.² The cost of living of the factory workers and other wage earners

¹ Figures were obtained by increasing the cost of the items entering into a family budget in 1913 to correspond with the increase in the cost of living in 1926. The average cost of living in 1926 was, 1913 taken as 100, food stuffs, 217; fuel and lighting, 244; clothing, 170; and miscellaneous, 180.

APPROXIMATE STANDARD OF LIVING IN JAPAN IN 1926

Items	Absolute Standard of Living "Primary Poverty" Large Cities		Index Number of Cost of Living in 1926	Efficient Standard of Living in	
	1913	1926		1913	1926
Food	132 yen	286 yen	217	336 yen	729 yen
Clothing	12 "	34 "	170	96 "	163 "
Shelter	24 "	54 "	244	168 "	410 "
Misc. Items....	36 "	65 "	180	360 "	648 "
Total	204 "	439 "		960 "	1,950 "

Figures in round numbers

² Before the investigation was completed, the work was transferred to the Section of Health Insurance, Bureau of Social Affairs, Department of Home Affairs as the said section which was formerly under the control of the Department of Agriculture and Commerce was transferred to the Department of Home Affairs. The report was published in July, 1923 under the title of *Shokko Seikei Jotai Chosa* (Report on the Cost of the Factory Workers).

in Tokio, Osaka, Kyoto and five other industrial centers was investigated for February and March in 1921, covering 1,377 families whose monthly income ranged from thirty to one hundred and fifty yen.

Between 1921 and 1924, several independent inquiries into the cost of living were conducted by various municipalities, local governments and the central government. Among the number of inquiries conducted by these authorities, there are three outstanding investigations, each throwing light upon the cost of living of different income groups. In November, 1921, an inquiry into the cost of living in slum districts in the city of Tokio was conducted by the Department of Home Affairs. It covered four hundred and ninety-seven families whose monthly income ranged between twenty and two hundred yen, but the majority of the families investigated belong to an income group of fifty yen per month. The inquiry into the cost of living of the middle class in Tokio and its suburbs was conducted in November, 1922, by the Bureau of Social Affairs, Department of Home Affairs. It covered 1,020 families whose monthly income ranged between sixty and one hundred and fifty yen. Most families investigated belonged to the official, civil servant and office workers' class. The "*Kiocho-Kai Enquiry*," covering a whole year between June, 1921, and May, 1922, is considered one of the most authoritative sources shedding light upon the cost of living. It covered three hundred and sixty salaried men's families and two hundred and ninety-one families of the wage-earning class extending over twelve prefectures, including Tokio, Osaka and ten other representative districts. The income for the majority of families investigated belonged to the one hundred to one hundred and fifty yen per month group although it covered the income class as high as three hundred yen per month. The data collected for these two classes are separately tabulated and were published in March, 1925, under the title

of *Hokyu Seikatsucha, Shokko Seikei Chosa Hokoku* (The Report on the Cost of Living of Salaried Men and Factory Workers).

The inquiry into the cost of living of the miners' families was conducted by the Department of Agriculture and Commerce for a period of three months between September and November, 1922. It covered 1,185 families in twenty-four districts throughout Japan.

The city of Kyoto investigated in December, 1924, the cost of living of seven hundred families of workers in the Kyoto Electric System.

Besides the cost-of-living inquiries already referred to, the Bureau of Social Affairs through municipal offices in Tokio, Osaka, Nagoya, Kobe, and each prefectural government has made separate inquiries ¹ within these administrative areas, but the number of families investigated was relatively small.

The Government's investigation of the cost of living of the various occupational groups on a national scale began in September, 1926. It was designed to collect data for one year covering 7,220 families including the salaried class and wage earners, in fourteen cities and four mining districts and seven prefectures. The report of this investigation will give authoritative information on a national basis, but the report will not be out for some time.

SIZE OF FAMILY

The family of five persons, including parents and three children under 14 years of age, has long been accepted as the basis of the study of the family budget, but of late this arbitrary number of five is subjected to serious attack on the ground that there exist few families conforming with the standard either as to size or age of dependents.

¹ Enquiries for the cost of living of workers' families were conducted by Osaka in 1919; Tokio Fu in 1922; Kanagawa Prefecture in 1920; and Nagoya in 1923.

According to the census of 1920, the average size of a family in Japan was 4.9 persons. The census figure includes the peasant class which constitutes nearly one-half of the entire population. As the size of the peasant's family is considerably larger than other occupational groups, the average size of a family, when the peasant class is eliminated, will be smaller than 4.9 persons.

The size of the family varies according to the different sources of information,¹ but generally speaking, the city dwellers have smaller families than those living in rural districts or in small towns. The size of a family of workers whose monthly income does not exceed sixty yen was somewhere between three and one-half and four persons, while with incomes reaching from sixty to one hundred yen, the size of the family increases, ranging from four and one-half to five persons. On the average four seems to be the normal size of a family of working people in Japan.

ACTUAL COST OF LIVING

According to the Kyochō-Kai report, the per cent distribution of the family budget of workers shows that 31.9 per cent was spent for food; 12.5 per cent for shelter; 14.1 per cent for clothing; 5 per cent for fuel and light; and 36.5 per cent for sundry items.

¹ Cf. Kyochō-Kai, *Hokyo Seikatsusha Shokko Seikei Chosa Hokoku*, 1924. Kyochō-Kai, *Dai Sankai Zenkoku Yachin Chosa*, 1923. Section of Health Insurance, Bureau of Social Affairs, *Shokko Seikei Jotai Chosa*, 1923.

TABLE XXIV

MONTHLY INCOME AND COST OF LIVING OF FACTORY WORKERS FOR JUNE,
1921, TO MAY, 1922 (IN YEN)

Items	Income group (under yen)						Average
	Under 50	50 to 100	100 to 150	150 to 200	200 to 250	250 to 300	
Number of households investigated.....	7	132	109	32	7	4	
Size of family.....	3.59	4.22	4.22	4.34	5.75	5.31	4.07
<i>Income</i>							
Head of the family	36.72	59.56	83.62	107.80	151.36	135.15	76.56
Members of the family..	2.66	7.69	13.08	16.40	14.77	61.57	11.46
Loan	0.85	1.47	2.42	3.35	5.35	....	2.09
Loan from pawnshops ..	....	0.14	0.07	....	1.05	....	0.11
Income in kind (estimated value)	1.02	2.38	3.81	6.62	7.29	14.27	3.63
Withdrew from saving ..	1.64	4.74	12.21	25.03	24.84	44.75	10.72
Miscellaneous income...	0.51	3.17	5.91	8.94	14.37	6.36	5.08
Total income	43.40	79.15	121.12	168.14	219.03	262.10	109.65
<i>Expenditure</i>							
Class I.....	31.76	48.01	65.08	78.51	98.58	125.08	59.63
Food	19.81	24.61	30.95	33.59	40.98	53.24	28.64
Shelter	7.55	12.46	17.20	21.60	24.32	36.76	15.73
Clothing	2.93	9.02	14.03	19.29	28.02	28.91	12.61
Miscellaneous.....	1.47	1.92	2.90	4.03	5.26	6.17	2.65
Class II	4.65	9.09	14.56	20.35	33.75	37.05	13.24
Culture and education.	1.12	2.02	3.74	3.54	7.67	3.91	2.98
Health and sanitation.	0.91	2.21	3.33	4.73	10.26	10.00	3.17
Friendship	2.62	4.86	7.49	12.08	15.82	23.14	7.09
Class III.....	5.65	12.02	17.64	28.01	37.41	52.57	16.89
Amusement, traveling, payment for loan, misc.....							
Total expenditures.....	42.06	69.12	97.28	126.87	169.74	214.70	89.76
Surplus	1.34	10.03	23.84	41.27	49.29	47.40	19.89
Expenditure per head.....	11.12	16.38	23.05	29.23	29.52	40.43	22.05
Per cent of expenditures							
Class I.....	75.5	69.5	66.9	61.9	58.1	58.3	66.4
Class II	11.1	13.1	15.0	16.0	19.8	17.2	14.8
Class III	13.4	17.4	18.1	22.1	22.1	24.5	18.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

This table was constructed from tables 1-20 of *Hokyu Seikatsusha*,
Shokko Seikei Chosa Hokoku, conducted by Kyocho-Kai.

TABLE XXV

THE PER CENT DISTRIBUTION OF EXPENDITURES FOR THE PRINCIPAL
ITEMS IN THE MONTHLY FAMILY BUDGET

<i>Authority, Date, Locality Covered, Number of Families</i>	<i>Food</i>	<i>Shelter</i>	<i>Clothing</i>	<i>Fuel & Light</i>	<i>Sun- dries</i>	<i>All Items</i>
Bureau of Social Affairs, Tokio, 1922. Tokio and suburbs. 1020 families..	35.2	17.9	14.1	5.7	27.1	100
Department of Home Af- fairs. 1921. Slum dis- tricts, Tokio. 497 fam- ilies	54.7	7.4	6.9	6.8	24.2	100
Department of Agriculture and Commerce. 1921. Tokio and other districts. 1600 families	46.4	9.9	10.2	8.5	25.0	100
Kyocho-Kai. 1921-1922. Japan. 360 families of the salaried class	24.6	13.0	15.9	4.4	42.1	100
Kyocho-Kai. 1921-1922. Japan. 291 families of the wage-earning class ..	31.9	12.5	14.1	5.0	36.5	100
Kyocho-Kai. 1921-1922. Japan. The average of the salaried class and the wage-earning class.....	27.4	12.9	15.2	4.6	39.9	100
¹ U. S. Labor Statistics. 1917. New York City. 608 families	45.1	12.9	14.8	4.6	22.6	100
² U. S. Railroad Wage Com- mission. 1915. United States. 265 families....	38.0	20.0	15.0	6.0	21.0	100
³ Weighted average of six different inquiries. United States	43.13	17.65	13.21	5.63	20.38	100

There are two outstanding factors in this analysis of the family budget. We find that the per cent expended for food items is about eight per cent less than is called for by the Japanese standard already referred to, and it is also ten per cent less than the American budget standard.⁴ On the other

¹ National Industrial Conference Board. *Op. cit.*, p. 32.

² *Ibid.*, p. 32.

³ *Ibid.*, p. 32.

⁴ National Industrial Conference Board, *The Cost of Living in the United States, 1914-26*, p. 32.

hand, the expenditure for clothing is about five per cent more than required by the Japanese standard, and two per cent more than the American budget.

The smaller percent of expenditure for food items does not necessarily mean that the nutritive value is proportionately less than that of the American families. The relatively small expenditure for the food item in Japan will be explained partly by the fact that the Japanese live primarily on a vegetable diet which will give more nutritive value than the same amount of money would buy in animal food. The question, however, is not only the per cent distribution of the expenditure for various items, but the absolute amount and the quantity consumed by each family. The cost-of-living enquiries do not reveal the consumption in terms of quantity, but actual observation convinces us that the Japanese are underfed in fat and portein.

The high cost of clothing in Japan is to be attributed to the fact that climatic conditions there and the extensive use of cotton clothing require three kinds of kimonos to meet the changing climate. In addition, the high cost of woolen goods and the practice of using both Japanese and foreign clothes bring up the expenditure in proportion to the quantity consumed.

CHAPTER IX

HOURS OF WORK

LABOR legislation in regard to hours of work, night work, rest periods and holidays for workers in factories is contained in the Amended Act of the Factory Act which was promulgated in 1923 and became effective July, 1926.

So far as the number of hours of work is concerned, the Factory Act aims to protect women and children. It does not provide any regulations for men.

The Amended Act of the Factory Act extended its application to factories employing ten or more workers ¹ (Article 1). The minimum age of employment was increased to fourteen ² (Article 2), and women and children under sixteen years of age ³ (until July 1, 1929, fifteen years) are regarded as protected workers (Article 3). The maximum hours of work were reduced from twelve to eleven,⁴ but raw silk reeling, cotton spinning, and mills which are designated by the competent authority of the Prefectural government may extend the hours of work to twelve up to August 31, 1931. This exemption will not be applied in case the operatives are divided into two or more shifts and employed alternately. Night work between ten P. M. and five A. M.⁵ for women and children under sixteen years of age is prohibited (Article 4); but, when operatives are divided into two sets and employed alter-

¹ Formerly fifteen or more workers.

² Formerly twelve years of age.

³ Formerly fifteen years of age.

⁴ The Washington Treaty limits the actual hours of work to fifty-seven, and in the raw silk industry, sixty hours a week for workers over sixteen years of age after July 1, 1926.

⁵ Under the old Factory Act, ten P. M. to four A. M.

nately, night work is granted by permission of the local government, up to June 30, 1929 (Article 6, Paragraph 3).

One of the reliable sources of information on the hours of work is the census of labor taken October, 1924. The census on the hours of work covers 7,130 factories and 1,326,289 workers in various branches of industries shown in table XXVII. The majority of workers are found in groups whose hours of work run between nine, ten and eleven. Of the 1,326,289 workers investigated, 23.9 per cent work nine hours; 23 per cent, ten hours; and 26.8 per cent, eleven hours. The average hours of work for all classes of workers was 10.23 hours. This fairly agrees with the report¹ released by the Bureau of Statistics of the Imperial Cabinet of Japan. According to the report, the average operating hours of workers in March, 1927, was 10.23 hours, or 9.22 hours of actual work when the rest period was excluded.

Hours of work classified according to the branches of industry show that the shortest hours of work are in effect in the foundries and the metal industries. In foundries, 18.9 per cent of employees work eight hours and 55 per cent work for nine hours. In factories manufacturing machines and tools, 24.3 per cent of the workers engage in work for eight hours and 63 per cent for nine hours. The same study shows that workers in the textile industry work the longest number of hours. As will be seen in the following table, 25 per cent of the operatives engage in actual work for ten hours, 41 per cent, for eleven hours and 30.6 per cent, for twelve hours. In other words, the actual hours of work for 96 per cent of the workers in the textile industry were ten to twelve hours per day.²

¹ *Chingin Bukka Tokei Geppo*, June, 1927.

² The census of labor covers only fairly large factories for the textile industry as is explained in the note above. If small factories were included in the investigation, the average hours of work might be still longer.

TABLE XXVI

HOURS OF WORK (CENSUS OF LABOR, OCTOBER, 1924)

<i>Hours of Work</i>	<i>Number of Factories (Actual Figures)</i>	<i>Number of Workers</i>	<i>Number of Factories (Per Cent)</i>	<i>Number of Workers</i>
6 or less.....	7	332		
6 to 7.....	27	2,327	0.3	0.17
7 to 8.....	514	104,213	7.2	7.9
8 to 9.....	1,602	317,236	22.4	23.9
9 to 10.....	1,852	305,686	25.9	23.0
10 to 11.....	2,097	355,550	29.4	26.8
11 to 12.....	972	228,735	13.6	17.3
12 to 13.....	53	11,794	0.7	.9
13 to 14.....	4	316		
Hours of work not fixed.....	2	100		
Total	7,130	1,326,289		

Note. Quoted from the "45th Teikoku Tokai Nenkan," 1926, p. 410. The investigation covered factories where over 30 workers are employed; but, in the cotton and the flax spinning industries, data were gathered from those factories employing more than 300 workers; raw silk industry, silk spinning, paper mills, matches, and cement, 100 workers. In 20 selected industries, the investigation covered factories employing 15 workers or more.

TABLE XXVIII

HOURS OF WORK, REST PERIOD, AND NUMBER OF WORK DAYS IN A MONTH,
REPORTED BY THE BUREAU OF STATISTICS, IMPERIAL CABINET
OF JAPAN, MARCH, 1927

<i>Industry</i>	<i>Number of Factories</i>	<i>Hours of Work</i>	<i>Rest Period</i>	<i>Number of Working Days in a Month</i>
Ceramic	48	10.02	1.05	27.6
Metal	55	9.50	.51	26.7
Machine and tools.....	124	9.42	.51	26.3
Chemical	67	10.04	.55	26.3
Textile	214	11.16	1.03	26.8
Paper	30	11.01	1.06	27.0
Manufacture with leather, bones and feathers as material	5	9.48	1.00	27.8
Wood and bamboo work ...	25	10.06	.59	27.7
Food and drinks.....	89	10.25	1.21	27.3
Dress making and tailoring..	17	10.02	1.00	26.6
Printing and book-binding..	31	9.37	.49	27.8
Building trade.....	2	8.45	1.00	29.0
Educational articles and toys.	5	9.42	.56	26.6
Gas and electricity.....	17	9.41	1.04	28.0
Miscellaneous	2	9.30	1.00	27.5
Total and average	731	10.23	1.01	26.9

Quoted from *Chingin Bukka Tokai Geppo*, no. 22, June, 1927.

OVER-TIME WORK

Although the data on over-time work on a national scale are lacking, the report made by the Osaka Municipal Office throws a little light on the subject. According to the report, 59 per cent of the factories (the total number of factories investigated being 159) were giving over-time work averaging two hours per day per worker in 1923.

TABLE XXIX

NUMBER OF FACTORIES GIVING OVERTIME WORK IN OSAKA, 1923

<i>Industry</i>	<i>Number of Factories Investigated</i>	<i>Number of Factories Giving Over- time Work</i>	<i>Average Hours of Overtime Work per Week</i>
Textile	38	14	2.5
Machine and tools	47	29	2.1
Chemical	34	22	2.0
Food and drinks	7	5	2.0
Special	10	8	2.4
Miscellaneous	20	15	2.5
Total.....	156	93	2.0

Note. This table was constructed from "*Kojyo Rodo Koyo Kankei*" (Factory Workers and Their Employment) 1923, published by The Municipal Office, Osaka.

The number of factories adopting the system of overtime work and hours of overtime usually increases in years of industrial prosperity, and decreases when depression sets in. The year 1923, in which the investigation was carried on, is not to be considered a normal year for industry had not recovered from the 1920 crisis, and industry in general was still in a depressed condition. The general trend of working hours seems gradually to be getting shorter on account of the preparation on the part of employers to meet the new situation which will be brought about within a few years as the term of exemption provided for in the Factory Act expires. The continued industrial depression and the necessity of curtailing production is another factor tending to shorten the hours of work in general.

INTERNATIONAL ASPECTS OF THE HOURS OF WORK

The subject of hours of work is one which interests capitalists as well as labor. At the first International Labor Conference which was held at Washington, D. C. in 1919 (from October 29th to November 29th) the treaty on the Eight Hour Day and Forty-Eight-Hour Week as the standard of working hours was concluded. This treaty was later ratified by many participating countries, such as Bulgaria, Belgium, Chile, Czecho-Slovakia, Greece, India, Rumania and Italy. Austria and Latvia have ratified the treaty with some conditions. France, Germany and Great Britain have not ratified the treaty yet; but, it is reported that both France and Germany are willing to adopt the eight-hour work principle, provided two of the three countries, viz. Great Britain, France, and Germany, ratify the treaty. The eight-hour work-day seems to be an established universal principle for which labor in each country is striving.

The Washington Conference gave a great impetus to labor in Japan, and since then labor unions, of both the Right and the Left Wings, equally demand the adoption of the eight-hour day principle in manifestos and through May Day celebrations. But, this demand for the eight-hour principle remains at present a hub-a-boo and the workers' struggle has shifted to other immediate needs. In 1920, about twenty per cent of the labor disputes involved the demand for the adoption of the eight-hour principle or the reduction of the hours of work; but, in 1924, less than five per cent of the labor disputes concerned the hours of work.¹

The relatively little demand by the rank and file of the

¹ Statistical data on labor disputes are not classified in terms of the demand for eight hours and the reduction of the hours of work. The data were obtained by counting the major labor disputes which were concerned in part or in whole with the reduction of the hours of work. The data for the year, 1920, are for the first eleven months. Cf. *The Labor Year Book of Japan* for 1921.

workers for shorter hours of work may be attributed to; 1. undeveloped labor organization, 2. the predominance of women workers in Japanese industries, 3. the lack of enlightenment on the part of workers on the principle of the eight-hour day, and finally, 4. the general poverty of the working class and necessity of earning more wages even at the expense of longer hours of work.

The slow progress toward the eight-hour principle is, however, due to the strong opposition of the capitalists, who claim that under the present economic and industrial conditions the shorter hours of work do not permit maximum production.

CAPITALIST'S VIEW OPPOSING THE EIGHT-HOUR WORK DAY

The capitalist's view opposing the shorter hours of work was well expressed at the Washington Labor Conference. Mr. Sanji Muto, a director of the Kanegafuchi Cotton Spinning Company,¹ and at present the leader of the Jitsugyo Doshikai Party, representing the capitalists at the Conference requested the modification of the bill introducing the Eight-Hour day and Forty-Eight Hour Week principle. The following three reasons seem essential among several points raised by Mr. Muto in rejecting the Eight-Hour principle:²

1. Japanese industry is still undeveloped yet, and the productivity of Japanese labor is only 35 to 50 per cent in industries such as cotton spinning, weaving, mining, paper, soda and cement and 70 per cent in ship building as compared with the productivity of the laborers in the West.
2. Raw silk is a seasonal industry, and the present Factory Act (the Factory Act of 1911) permits 13 hours of work per day and 120 hours of overtime in a year. It is, there-

¹ One of the "Big Four" of cotton mills in Japan. The welfare work for employees in this firm is considered the best of its kind in Japan.

² Department of Foreign Affairs, Japan, *Report of the First International Labor Conference*, pp. 65-70

fore, impossible to reduce the hours of work from the present 14 hours actual basis to the eight-hour basis.

3. The reduction of the hours of work is only possible through the gradual development of industry. The adoption of the eight-hour principle without due preparation on the part of the employer is, therefore, detrimental to the interest of both employer and employee. It is especially so in the cotton spinning and the silk industries.

Mr. Muto was backed by the delegates representing the government of Japan who pointed out that:¹

1. Japanese industries are yet in the state of domestic industries, and many of them are passing through the period of transition from domestic to factory industry. A large percent of the factories are small in scale, and both employer and employee are not accustomed to the scientific management of the plant.
2. The division of labor is not well developed in Japanese industry, and the employment of efficient machines is rare.
3. The immediate reduction of the work from the present 12, 13 and 14 hours to 8 hours is against the interest of both the employers and the employees.

The Conference took into consideration these limiting factors pointed out by the Japanese delegates, and finally conferred upon Japan a special treaty. The treaty binding Japan limits the actual hours of work to fifty-seven per week per person over fifteen years of age. In the raw silk industry, the limit was set at sixty hours a week.² Japan has not rati-

¹ Department of Foreign Affairs, Japan, *Report of the First International Labor Conference*, pp. 71-72.

² Article 9, Draft Convention Limiting the Hours of Work in Industrial Undertakings to Eight in a Day and Forty-Eight in a Week contain the following paragraphs:

- a. The term "industrial undertaking" includes
- b. The actual working hours of persons of fifteen years of age or over

fied this treaty yet, but so strong was its influence in Japan that the Amended Act of the Factory Act (promulgated in 1923) reduced to some extent the hours of work of women and children.¹

The line of thought expressed by the Japanese delegates at the Washington Conference was based upon the assumption that the productivity of labor would fall as a consequence of the reduction of the hours of work. Their assumption was not without foundation when industrial and economic conditions peculiar to Japan were taken into consideration. This contention is supported by experiments with the eight-hour day in some European countries.

In June, 1920, the governing body of the International Labor Office charged the office with the making of an inquiry

in any public or private industrial undertaking, or in any branch thereof, shall not exceed fifty-seven in a week, except that in the raw silk industry the limit may be sixty hours in a week.

- c. The actual working hours of persons under fifteen years of age in any public or private industrial undertaking, or any branch thereof, and of all miners of whatever age engaged in underground work in the mines, shall in no case exceed forty-eight in a week.
- d. The limit of hours of work may be modified under the conditions provided for in Articles 2, 3, 4 and 5 of this Convention, but in no case shall the length of such modification bear to the length of the basic week a proportion greater than that which obtains in those Articles.
- e. A weekly rest period of twenty-four consecutive hours shall be allowed to all classes of workers.
- f. The provision in Japanese factory legislation limiting its application to places employing fifteen or more persons shall be amended so that such legislation shall apply to places employing ten or more persons.
- g. The provisions of the above paragraphs of this Article shall be brought into operation not later than July 1, 1923, except that the provisions of Article 4 as modified by paragraph "d" of this Article shall be brought into operation not later than July 1, 1925, to sixteen.

Cf. Department of Foreign Affairs, *Report of the First International Labor Conference*. Also, see Iwao Ayusawa, *Industrial Conditions and Labor Legislation in Japan*, pp. 26-27.

¹ *Infra*, ch. xiii.

into industrial production throughout the world, considered in relation to conditions of work and the cost of living.¹ The data collected for the investigation of production revealed two factors resulting from the reduction of the hours of work. Reports from various countries² pointed out that the reduction of the hours of work resulted in increased productivity; provided, however, there were technical improvements, application of machines and tools, and the reorganization of industry. On the other hand, the report³ pointed out that there are limits to the compensation of the reduction of the hours of work for the following reasons: 1. difficulty of compensation arising from the degree of protection of existing equipment, 2. difficulty due to the length of time required to carry out improvement in equipment, 3. difficulty connected with the purchase of new machinery, and 4. difficulty inherent in the nature of certain work. The efficiency of human elements has been also stressed in the report as a contributing cause for the increase of productivity.⁴

In summarizing the results of this investigation, Professor Edgard Milhaud says,

The scientific researches concerning labor instituted in various countries in view of the grave wartime and post-war economic problems, and the public discussion aroused by the question of

¹ The result of this inquiry was published by the International Labor Office, Geneva, in "*La Réduction de la Durée du Travail Enquête sur la Production*," *Report Général*, 1924.

² Reports from American Industrial Commission, Swiss Factory Inspectors, Netherlands Industrial Inspectors, Brescia Chamber of Commerce and Industry, Italy, The Central Federation of Finnish Trade Union, and France, etc

³ Reported by General Confederation of French Production, Netherlands' Industrial Inspectors, Belgian Industrial Federation, Chief Inspector of Factories and Workshops in Great Britain, etc. For particulars, see *International Labor Review*, vol. xii.

⁴ *International Labor Review*, vol. xiii, pp. 175-210.

the reduction of the working day have led both theorists and practical workers to one conclusion, namely, that with few exceptions, production can only be maintained, after a considerable reduction in hours, by the combined action of greater intensity of work and of technical improvements. To expect the increased productivity of the workers to make up entirely for a reduction in hours is, it is felt, to mistake the real economic significance and scope of that reduction, and in particular of the eight-hour day.¹

No exhaustive study of the relation between the hours of work and the productivity of labor has ever been carried out in Japan, but the relation between the production of raw silk and hours of work in Nagano Prefecture and Oita Prefecture demonstrates that the application of better machines, increased skill of operatives, and better factory management increases per capita productivity in spite of the reduction of the hours of work.

The statistical data on the production of raw silk compiled by the Nagano Prefecture show that the productivity of raw silk reelers increased fifty per cent during the period between 1913 and 1925. The production per capita in 1892 was 3.16 *momme* (one *momme* equal about 3.75 grams) per hour. In 1913, the productivity increased to 6.28 *momme*, and in 1925 it reached 9.38 *momme*.

Oita Prefecture made a study on the relationship between the hours of work, and the time required for the production of one *momme* of raw silk. In 1913, when the actual hours of work were 12.6, per capita production per hour was 5.88 *momme*, and the production of one *momme* of silk required 10.2 minutes. In 1918, the hours of work were reduced to 12.2. The per capita production increased to 8.25 *momme* and the time required for the production of one *momme* of

¹ *International Labor Review*, vol. xii, pp. 820-853, "The Result of the Adoption of the Eight-Hour Day."

TABLE XXX

THE OPERATING HOURS AND THE PRODUCTION OF RAW SILK REELERS
IN NAGANO PREFECTURE ¹

Year	Operating Hours	Rest Period	Per capita Productivity per day (momme)	Wages per hour (sen)	Per Hour Production (momme)
1877....	12	Only a sufficient	38.0	12.0	3.16
1892....	16	time to finish	69.5	21.3	4.31
1913....	15	luncheon	94.3	21.8	6.28
1918....	14	"	98.3	44.1	7.50
1923....	13	"	102.0	77.8	7.85
1925....	13	"	112.5	82.8	9.38

silk was reduced to 7.3 minutes. In 1922, the actual hours of work were 10.8. The per capita production had further increased to 10.23 *momme*, and the time required for the production of one *momme* of silk was reduced to 5.9 minutes.

These studies do not mention the causes of the higher productivity. The concentration of energy toward the work as the result of shorter working hours and the relief from fatigue may be one of the causes; but, undoubtedly, the higher productivity was attained by technical improvements, more efficient factory management, and the improvement in the quality of operatives as the result of the development of the national educational system.

The adoption of the eight-hour day involves two considerations. One is the security of maintaining equal or greater productivity after the reduction in the hours of work has taken place, and the other is the security in maintaining an equal ratio of productivity with competing countries. Under the present competitive economic system, these two phases of the problem cannot be ignored. Japan's economic position depends much upon foreign markets and is exposed to foreign competition, and, for these reasons, her industrial conditions do not offer hope of the speedy application of the eight-hour day in Japan.

¹ Up to 1923, forty-five factories were investigated. In 1925, six hundred factories were included in the investigation. Cf. *Labor Gazette*, vol. iii, August, 1926, p. 16.

CHAPTER X

LABOR MOVEMENT

At the end of December, 1926, there were in Japan 488 trade-union organizations with an aggregate membership of 284,739. There were 52 federations with 210 affiliated unions and a total membership of 165,845. The aggregate number of organized workers in Japan was thus a little over six per cent of the total workers numbering 4,641,000, including factory workers, miners, workers in transportation and casual workers.

TABLE XXXI

NUMBER OF UNIONS AND MEMBERSHIP CLASSIFIED BY INDUSTRIES AND
PER CENT OF ORGANIZED WORKERS IN EACH INDUSTRY

<i>Industry</i>	<i>Number of Workers October, 1925¹</i>	<i>Number of Unions, December, 1926²</i>	<i>Union Membership December, 1926²</i>	<i>Approximate, Per cent Organized Workers³</i>
Machine and tools.....	320,374	76	97,085	30.3
Chemical.....	173,881	49	9,506	5.4
Textile.....	938,842	20	11,700	1.2
Food and drinks	169,539	13	4,888	2.8
Gas and electrical	55,000	4	3,074	5.5
Miscellaneous.....	67,169	95	15,393	22.9
Total factory workers..	1,724,805	257	141,646	8.2
Mining	310,000	8	7,966	2.5
Transportation	923,000	60	107,226	11.6
Building and public works..	736,800	38	3,904	0.5
Communication .....	.....	1	651	
Miscellaneous .....	.....	124	23,346	
Grand Total .....	.....	488	284,739	

¹ Figures reported by the Industrial and Labor Research Institute, Tokio. Quoted from *International Labor Review*, vol. xiv, July, 1926, pp. 257-60.

² *Labor Gazette*, vol. iv, April, 1926, p. 99.

³ The percent of organized workers does not represent accurate figures. It is a rough estimate of the number of workers as represented for the month of October, 1925, while the number of union members is given for December, 1926.

THE TYPE OF ORGANIZATION

Prior to 1922, labor unions were organized on trade lines, but later many of them were reorganized on industrial lines¹ as this type of union was found more effective in coping with the industrial conditions in Japan. Of four hundred and eighty-eight unions in all, two hundred and fifteen unions with an aggregate membership of 228,415, were industrial unions in 1926. This equals eighty per cent of the total number of organized workers. There were one hundred and thirty-seven trade unions composed of 27,842 members or ten per cent of all the organized workers.² The remaining unions and members belonged to the unclassified group.

INDUSTRIAL DISPUTES

In 1914, there were only fifty strikes, participated in by 7,965 persons in industries, mines and other trades inclusive. With the growth of the labor movement and under favorable economic conditions, the number of strikes gradually increased until the peak was reached in 1919, when there were four hundred and ninety-seven strikes, participated in by 63,137 persons. Beginning with 1920, the number of strikes suddenly decreased, due to the post-war economic crisis and the industrial depression which ensued. There were only two hundred and eighty-two strikes in 1920; two hundred and seventy in 1923; and two hundred and ninety-three in 1925. Beginning with 1926, the number of strikes and disputes seems again to have increased, for the report of the Bureau of Social Affairs shows that there were four hundred and sixty-nine strikes, participated in by 63,644 persons, besides seven hundred and ninety-one disputes which were settled before ending in strikes. By the end of May, 1927, four hundred and eighty-seven disputes had been reported.

¹ Cf. *infra*, ch. xi, pp. 241-42.

² *Labor Gazette*, vol. iv, April, 1927, p. 11.

TABLE XXXII
NUMBER OF STRIKES AND DISPUTES

Year	Strikes		Disputes solved before developing into strikes	
	Number of Strikes ¹	Number of Strikers ²	Number of Disputes ³	Number of Persons Involved ⁴
1914	50	7,904		
1915	64	7,852		
1916	108	8,413		
1917	398	57,309		
1918	417	66,457		
1919	497	63,137		
1920	282	36,371		
1921	246	58,225	650	112,664
1922	250	41,503	334	44,406
1923	270	36,259	377	32,555
1924	333	54,526	600	39,521
1925	293	40,742	522	48,645
1926	469	63,644	723	58,511*

These figures are based on the report of the Bureau of Social Affairs, Department of Home Affairs.

(1) and (2). Figures up to 1922 are reported by the Bureau of Police, Department of Home Affairs. Quoted from the 45th *Teikoku Tokei Nenkan*, 1926, p. 420. Figures for 1926 are quoted from *Shakai Seisaku Jiho*, no. 84, September, 1926, p. 208.

(3) and (4). Reported by Y. Naito in his article on "The Progress of Labor in Japan During 1926." Cf. *Shakai Seisaku Jiho*, no. 78, March, 1927.

* The figures represent the first eleven months of 1926.

CAUSES OF INDUSTRIAL DISPUTES

Wages are the most frequent cause of strikes. During 1918 and 1919, over eighty per cent of the strikes were concerned with the question of wages, and in most cases higher wages were demanded by the workers. In the period of industrial depression since 1920, an increasing number of disputes has been caused by the reduction of wages. It is noteworthy that strikes protesting against the discharge of employees and the demanding of discharge compensation numbered two hundred thirty or 18.9 per cent in 1926. Of strikes involving the demand on the part of the workers for the organization of labor unions and the recognition of the

union, there were only sixteen in the same year. Although the number of strikes involving the question of labor organization is small, it is a new phase in the development of labor disputes, and it reflects the increased consciousness of the

TABLE XXXIII

I. CAUSES OF STRIKES

Causes	1914		1919		1925	
	No. of Strikes	No. of Strikers	No. of Strikes	No. of Strikers	No. of Strikes	No. of Strikers
Increase of wages	25	4,105	400	53,130	100	7,908
Decrease of wages....	11	1,763	17	1,251	41	6,245
Improvement of working conditions	2	62	24	3,695	83	12,855
Opposition to foreman.	3	222	18	1,610	16	1,471
Miscellaneous.....	9	1,752	38	3,451	53	12,263
Total.....	50	7,904	497	63,137	293	40,742

The 45th *Teikoku Tokei Nenkan*, 1926, pp. 420-423 and *Labor Gazette*, March, 1925, p. 20.

II. CAUSES OF STRIKES AND DISPUTES IN 1926

Causes	Number of Strikes and Disputes	Per Cent
Increase of Wages	378	30.9
Decrease of Wages	92	7.5
Method of Paying Wages	148	12.1
Reduction of the Hours of Work	16	1.3
Organization of Labor Union or the Recognition of the Union.....	13	1.1
Against the Discharge and the Demand for Discharge Compensation	230	18.9
Opposition to Foreman	35	2.8
Working Conditions, Rest Days and Factory Equipment	72	5.9
Miscellaneous.....	239	19.5
Total	1,223 ^b	100.0

Quoted from *Shakai Seisaku Jiho*, vol. 78, March, 1927, pp 168-69.
 "The Progress of Labor in Japan during 1926," by Y. Naito.

- (a) Disputes concerning the method of paying wages include the demand for an increase of wages in place of giving "teate" (bonuses), and the establishment of the minimum wage system, etc.
- (b) This figure is based on the preliminary report of the Bureau of Social Affairs, and it does not agree exactly with the figures quoted in Table XXXII.

working class. Since January, 1927, a number of strikes have been reported as the result of the application of the Health Insurance Act.¹

DURATION OF STRIKES

Up to 1919, most strikes lasted from one to three days, and few strikes extended over eleven days. Since 1920, however, a new tendency has developed. Although a large percent of the strikes in the aggregate were solved within three days, a large number of strikers struck for over eleven days. This may be considered as resulting from the expansion of the unit of industry and the growth of unionization.

TABLE XXXIV

DURATION OF STRIKES

Year	One to Three Days		Four to Ten Days		Over Eleven Days		Dropped	
	No. of Strikes	No. of Strikers	No. of Strikes	No. of Strikers	No. of Strikes	No. of Strikers	No. of Strikes	No. of Strikers
1914	28	3,807	21	3,916	1	181		
1915	41	4,479	18	3,051	5	322		
1916	69	5,226	34	2,557	5	629		
1917	303	34,755	84	21,901	11	653		
1918	330	42,956	72	22,270	15	1,231		
1919	363	34,057	125	25,301	9	3,679		
1920	167	12,938	82	15,202	33	8,231		
1921	128	11,365	74	12,936	44	33,924		
1922	118	11,407	90	13,056	42	17,040		
1923	113	9,701	90	14,180	65	12,343	2	35
1924	133	13,396	112	20,718	88	20,412		
1925	122	14,835	96	9,793	75	16,114		

The 45th *Teikoku Tokei Nenkan*, 1926, p. 421.

THE RESULT OF STRIKES

In spite of the fact that labor unions are gradually increasing in power, and strikes are kept up much longer than in former days, many strikes end in failure, largely due to economic

¹ Cf. *infra*, ch. xiii.

depression. Out of two hundred and ninety-three strikes studied in 1925, 17.7 per cent were successful; 39.2 per cent were compromised and 43.1 per cent resulted in failure.¹

BRIEF HISTORY OF THE LABOR MOVEMENT IN JAPAN

The first movement against the new government which was set up after the Reformation in 1868 was a liberal movement. Discontented *samurais*, who lost their income as the result of the political reorganization, and disappointed lords who had vainly expected economic gain after the restoration united to oppose the government. Their dissatisfaction had merged into a new philosophy of liberalism, an imported doctrine. It was about this time that the influence of the French Revolution began to stir a selected group of the younger generation and the liberal thought of Rousseau and Voltaire was freely devoured by them. The English school of Utilitarianism of Bentham and Mill was also advocated at this time.

The influence of these new thoughts materialized in the formation of a liberal party, "*Jiyuto*," in 1880. They advocated democratic principles and sympathized with the working class. In 1883, the horse-tramway was introduced in Tokio, and its effect upon the income and the employment of many *rikishaw* men brought about social unrest. Some members of *Jiyuto*, through their interest in, and sympathy with, the suffering *rikishaw* men, organized a union called "*Shakaito*" (Social Party)² and agitated vainly against the horse-tramway company. This party was not founded on the principle of trade unionism. It deserves attention, however, for liberalism, an imported foreign idea, was the first stimulus in starting the labor movement in Japan.

¹ The 45th *Teikoku Tokei Nenkan*, 1926, p. 422.

² Nippon Rodo Sodomei and Sangyo Rodo Chosasho, *Rodo Nenkan*, 1925, p. 12.

Following the labor trouble of the "Tokio Horse-Tramway Case," a series of incidents, such as the exposure of the ill-treatment of the Fukushima miners in 1888, and a lockout of the workers at a tea factory under foreign management in Yokohama in 1889, intensified the desire to organize labor unions. In November, 1892, a new political party known as "*Toyo Jiyuto*" (The Oriental Liberal Party) was formed through the federation of the Japan Labor Association (*Nippon Rodo Kyokai*) and the General Suffrage League (*Futsu Senkio Kisei Domeikai*), but when the "*Toyo Jiyuto*" which had never been strong, fell to pieces, the Japan Labor Association also collapsed.¹

An association to study socialism "*Shakaishugi Kenkyukai*" was organized in 1896 by a number of socialists,² and they endeavored to push forward the labor movement. This was the beginning of the relationship between the labor movement and socialism in Japan, and since that time both have kept up unbroken relations.

A labor union called *Shokko Giyukai* was formed in Tokio, in April, 1897, by several young men who had returned from San Francisco. This association was strengthened by the co-

¹ *International Labor Review*, vol. v, no. iii, pp. 437-38.

² Some noted members of the "*Shakaishugi Kenkyukai*" were Messrs. Isoo Abe (now, professor at Waseda University and a leader of the Social Peoples' Party [*Shakai Minshuto*]), Teiichi Sakuma, Isaburo Ishikawa, Denjiro Kotoku, an anarchist, and N. Kinoshita. The name of Sen Katayama must not be omitted in describing the early history of the socialist and the labor movement in Japan. He was a dominant factor in spreading socialism and forming many trade unions. He came to the United States in 1884. He is in Soviet Russia at present.

The first literature which introduced socialism into Japan was the "*Kokuminno Tomo*" (The Friend of Nations), edited by Soho Tokutomi. From the first number, the theory of Henry George, the author of *Progress and Poverty* and an exponent of Single Tax, was introduced. Articles on Russian revolutions and accounts of May Day demonstrations in European countries were published. This magazine was also the first which advocated the organization of the laborers.

operation of several other intellectuals, and it was reorganized under the name of *Rodokumiai Kiseikai* (the society for the promotion of trade unions) in July, 1897. The organizers of this union had lived in the United States and learned something about the labor movement through the Knights of Labor and the American Federation of Labor. The *Rodo-kisei Domeikai* was the beginning of labor organization in Japan based on the principle of trade unionism. The labor movement was not the outcome of the experiences of the rank and file of the working class in industrial strife, but a movement started by intellectuals who adopted foreign ideals. The activities of the association first resulted in the organization of the Iron Workers' Union in 1897, and soon it had 5,400 members. The Locomotive Engineers' Union, The Printers' Union and the Carpenters' Union were formed in 1898, and several other unions were organized throughout Japan. Thus, the labor movement seemed destined to have a great future, but the industrial depression which began to set in at his time, and the promulgation of the "*Chian Keisatsuho*"¹ (Public Peace Police Regulations) in 1900 were fatal blows to the labor movement, checking its promised progress. Thereafter all of the activities of the laborers practically ceased until they were rejuvenated in 1912 by the formation of *Yuaikai* (Friendly Society of Workers).

The *Yuaikai* was organized by Mr. Bunji Suzuki,² the

¹ "*Chian Keisatsuho*" was promulgated in order to check labor unrest which, for the first time in Japanese history, began to assume importance. It is interesting to note that only two years prior to the promulgation of this regulation, the government had drafted the Factory Act. This coincidence of rigid suppression of labor activities and supposed liberal social legislation was repeated in 1924 when the "*Chian Ijiho*" (Peace Preservation Act) was passed to suppress the radical Left Wing prior to the passage of proposed labor legislation such as the Act respecting conciliation in Industrial Disputes, and the introduction of Trade Union Law Bill. *Infra*, ch. xiii.

² Mr. Bunji Suzuki is a graduate of the Law School of Tokio Imperial University.

President of the *Nippon Rodo Sodomei* (General Federation of Labor of Japan) at present. The society had its origin in social welfare work started in 1911 in a Unitarian Church in Tokio. Mr. Suzuki held monthly meetings to educate the workers of the neighborhood and kept consulting office hours to give information to the working class. The immediate circumstance which led to the formation of the *Yuaikai* was the Tokio street-car strike which lasted from December 31, 1911, to January 4, 1912. This strike, tying up the whole city's transportation at the busiest time of the year, demonstrated to the workers the effectiveness of joint action.¹

The *Yuaikai* was organized on the principle of mutual aid for the promotion of the moral, economic and social well-being of the workers. A large number of scholars and experts on social problems, and even prominent business men, such as Viscount Shibuzawa, held positions on the Advisory Committees of the Society. The moderate principles adopted by the *Yuaikai* were mainly due to the caution of the organizers in steering away from the danger of being suppressed by the *Chian Keisatsuho*. These moderate principles of the *Yuaikai* in its early days, in spite of the criticism that it was a cat's-paw of capitalism, favored its development.

In 1915 and in 1916, twice, Mr. Suzuki went to the United States to promote understanding between the United States and Japan. The relation between these two countries was tense at that time on account of the immigration problem. His observation of the labor movement in the United States, and especially his association with the late President Gompers of the American Federation of Labor are said to have served not a little for the development of the labor movement in Japan. It is said that the constitution of the *Yuaikai* was phrased after that of the American Federation of Labor, and

¹ Bureau of Labor Statistics, U. S. A., *Monthly Labor Review*, vol. xxi, November, 1925, p. 10, "Labor Conditions in Japan" by Ta Chen.

a federated union in California. In order to emphasize the American influence on the *Yuaikai*, some people go further and say that the total indifference of the *Yuaikai* in its early stage to political activity was due to the influence of the principles of the American Federation of Labor; but, the absence of the franchise for the working class and the lack of strong labor organizations in those days were more responsible for its non-political activity.

The *Yuaikai* made remarkable progress, and when the Sixth Annual Convention was held on April 3, 1918, there were one hundred twenty branches with 30,000 members represented. In 1919, the *Yuaikai* was reorganized on a trade-union basis, and the administration was transferred from a single president to the cooperative management of thirty-two trustees, and it appeared to the public under the name of *Yuaikai Rodo Sodomei* (*Yuaikai General Federation of Labor*) which again changed to *Nippon Rodo Sodomei* (*General Federation of Labor in Japan*) in 1921.

In contrast to the conciliatory attitude of the *Yuaikai* in its early days, a militant, radical union among printers' was born in 1916 with the organization of the *Shinyukai*.¹ This was the beginning of the Left Wing in the labor movement just as the *Yuaikai* marked the beginning of the Right Wing of the modern labor movement.

While the workers were gradually awakening through the activities of the *Yuaikai* and the *Shinyukai*, an unprecedented opportunity for the expansion of the labor movement was afforded by the out-break of the World War. Employers, who were eager to get a labor supply to meet industrial expansion, easily yielded to the demands of the workers for better pay and better labor conditions. They found it to their interest to yield to the workers, rather than to

¹ *Shinyukai* was merged with the Federation of Printers Unions in 1923. This union was organized on industrial lines.

see them strike. The easy victory of the workers in this period, and favorable economic conditions for the progress of the labor movement encouraged them to unite. As a result, seventy-one unions were organized in the single year of 1918 among the workers in military arsenals, the printing, the iron and steel and the mining industries, and transportation. The number of strikes suddenly increased, reaching four hundred and ninety-seven in 1919, in contrast to one hundred and eight in 1916, and three hundred and ninety-eight in 1917. Four hundred strikes, or eighty per cent of the total strikes in 1919, were caused by workers' demands for an increase of wages; and twenty-four strikes were originated by workers' demands for the improvement of working conditions. These statistical data show that the workers took advantage of industrial prosperity to assume the offensive in industrial disputes.

THE GROWTH OF NEW NATIONAL THOUGHT

It has been pointed out already that the progress of the labor movement in Japan owes much to socialists for their cooperation with and leadership of the working class, and the cultivation of the public mind in favor of the workers. Unfortunately, the activities of the socialists, anarchists,¹ and

¹ Denjiro Kotoku, upon his return from the United States in 1906, introduced anarchism into Japan. It came into the lime-light in 1908 at the time of the "Red Flag Case". At a street meeting in Tokio held to welcome publicly some comrades who had just emerged from prison, a number of anarchists drew from their kimonos red flags, bearing the words, "Anarchist Communism", in white characters and raised them aloft. There was considerable fighting before the flags were captured and the meeting was dispersed.

Anarchists kept up their activities until 1911 when eleven men including Denjiro Kotoku and one woman were executed for complicity in a bomb plot alleged to have been planned to assassinate the Emperor. This was the signal for a general clean-up of the social revolutionists in Japan, and their activities completely ceased until the close of the War,

other anti-imperial elements were completely suspended from 1911 until the close of the World War. This suspension was brought about as the result of the general clean-up of radical elements in 1911, in connection with an attempted bomb plot against the Emperor by the anarchists.

With the close of the World War, the Allies' victory glorified the principle of democracy. Japan, which is always ready to welcome Western thought and culture, devoured this intrushing new thought, and very soon, the democratic principle began to sweep the whole country; and liberal movements were started in the literary, political, religious and economic fields, and practically, in every field of human activity. The government, which had shown a hostile attitude to socialism up to this time, relaxed its suppression. In 1919, *Shin-jinkai* (New Men's Society) ¹ was organized among the students in Tokio Imperial University. This society has created and propagated liberal thought among the younger intellectuals. About the same time, Professor Hajime Kawakami, a professor of Economics of the Kyoto Imperial University, began to advocate Marxism through *Shakaishugi-Kenkyu* (the study of Socialism), a monthly pamphlet which he, himself, issued.

STUDENTS' MOVEMENT AS THE BACKGROUND OF THE LABOR MOVEMENT

The theoretical background of the liberal movement, labor and socialism, was thus furnished by university professors, and their influence upon students was profound. In 1922, the

when liberalism began to take hold of the public mind. Cf. *Japan Chronicle*, "Socialist and Labor Movement in Japan", written by an American sociologist. Also, Nippon Rodo Sodomei and Sangyo Rodo Chosasho "*Rodonenkan*" (Labor Year Book) for 1925.

¹ Sakuzo Yoshino, a professor of Political Science of the Tokio Imperial University, was an organizer and leader of *Shin-jinkai*. He left this association later on account of its drift to communism.

Federation of Students' Associations ¹ was organized by uniting more than nine different students' organizations in eleven universities and colleges, thus solidifying the further development of the students' movement. The federation cooperated with the working class in 1923 to oppose three so-called vicious bills, introducing the Peace Preservation Act, Labor Union Law and the act respecting conciliation of the Farm Tenants' disputes. In the same year, the *Bunka Domei* Association of Waseda University, after shedding blood, successfully opposed the proposed organization of *Gunji Kenkyukai* (an association to study military science.) In 1924, the Federation opposed the students of Osaka Higher Commercial School and Osaka Technical School, who had cooperated with local reserve army forces in breaking the strike carried out by workers in the Osaka Municipal Electric Car system. The Federation also influenced public opinion in favor of the strikers. In order to carry on the students' movement still further, the Federation of Students' Associations was organized in 1923 under the name of *Gakusei Shakai Kagaku Kenkyukai* (Students' Association for the study of Social Science), ² and kept on exploring the trend of radical

¹ The Federation of Student's Associations was organized by the following associations: *Shinjinkai* (New Men's Association) of Tokio Imperial University; *Bunka Domei* (Cultural Association) of Waseda University; *Nanoka Kai* (The Seventh Day Association) of Meiji University; and Girls' Medical College; *Shakai Hibansha* (Association of Social Critics) of Nippon University; *Shakaishiso Kenkyukai* (Study group of social ideals of Waseda, and Daiichi Kotogakko (*kotogakko* means higher school or colleges); *Shakai Mondai Kenkyn Kai* (Study Group of Social Problems) of Daisan Kotogakko; F. R. Association of Dai Go Kotogakko; *Kakumeikai* of Daishichi Kotogakko, and *Bunkakai* of one other Kotogakko. Cf. co-edition of Nippon Rodo Sodomei and Sangyo Rodo Chosasho, *Rodo Nenkan* (Labor Year Book), for 1925, pp. 354-357.

² At the organization meeting, the following resolutions were adopted:

1. To change the name of the association to "*Gakusei Shakai Kagaku Kenkyukai*".

thought. Besides, they frequently participated in actual labor and social movements. Many students volunteered to teach at labor schools, and educational institutions organized by farm-tenant unions. The anti-military movement was also started by them.

The students' enthusiasm for the humanitarian ideals of socialism and of communism influenced young intellectuals to plunge themselves into the current of revolutionary movements. On December 1, 1925, thirty-eight students belonging to the leading universities and colleges¹ were arrested on account of a radical plot to institute communism in Japan. As a result of this unhappy incident, the government censorship on students' activities became strict and *Gakusei Shakai Kagaku Kenkyukai* was dissolved by the Minister of Education; but, enthusiasm once started, cannot be quenched easily. They are keeping up the study of new movements, although their participation in any practical movement is prohibited. Many college and University graduates are giving themselves to the cause of the labor movement and a new social order.

These student activities cannot be ignored in discussing the history of the labor movement in Japan, for labor leaders at present are mostly the graduates of colleges and universities.

2. To reorganize the association by creating local federations, Eastern section, North-Eastern section, and Western section.
3. In order to give efficiency and a system to the educational movement of the federation, the subject and program of the study of social science should be scheduled.
4. To begin publishing work for the progress of the students' movement.
5. To organize students in unorganized schools.
6. To promote workers' education.

Cf. co-edition of Nippon Rodo Sodomei and Shangyo Rodo Chosasho, *Labor Year Book*, 1925, pp. 356-357.

¹ Tokio Imperial University, Kyoto Imperial University, Doshisha University, Meiji Gakuin, Aoyama Gakuin, Kansei Gakuin, Kobe Higher Commercial School, Osaka Higher Commercial School, etc.

Many of them belonged to the student associations above described. There is no opposition yet among the rank and file of workers directed against their leaders who have come out of universities. Economic and social conditions in Japan necessitate having intellectual labor leaders, and undoubtedly they will be recruited from among university graduates, or from among those who have had intellectual training, for some time to come. The existence of men of college and university training among labor leaders gives a different aspect to the labor movement, and it is vividly revealed in the short history of the labor movement between 1919 and the present time (1927).

THE ASCENDENCY OF RADICALISM IN THE JAPANESE LABOR MOVEMENT (1919-1923)

Toward the end of 1918 and 1919, anarcho-syndicalism predominated in the labor movement. A general strike and sabotage were advocated as effective, while the management of factories by workers themselves was proposed as the eventual outcome in the new world of the workers. These ideas and policies reflect the influence of the ascendancy of syndicalism during this time in European countries, and of the I. W. W. in the United States. As syndicalism in foreign lands gradually gave way to the rise of reform policies and communism, so syndicalism in Japan soon lost its stronghold, externally, due to the influence of the new trend in foreign countries, and internally, to the rigid suppression by the government. As a result, anarcho-syndicalism was superseded by Marxism and communism.

The rise of Marxism among the working class in Japan owes very much to the activities of the university professors and liberal intellectual leaders who, by translating foreign literature on socialism, communism, and allied new movements into Japanese, and by contributing articles to leading

magazines propagated the knowledge of socialism in general, and especially, of Marxism. The success of the Russian Revolution was directly responsible for the growth of communism in the Japanese labor movement. Detailed news of the experiments with Soviet principles began to flow in, beginning with 1919, and more information in successive years enlightened the working class as to the true situation of the Soviet Union. Furthermore, the workers' participation in the campaign for anti-intervention for Soviet Russia added to the interest of the working class in communism.¹

Thoroughly imbued with radical ideals, born and bred on foreign soil, Japanese labor leaders, irrespective of the difference between economic and social conditions in Japan and other countries, began to practice the same policies and tactics displayed by radicals in other countries. They repudiated lukewarm methods of improvement and reform, and advocated the immediate establishment of the communistic state. The hope of emancipating the working class by means of political activities was abandoned, and the idea of organizing a labor party was flatly discredited. They went still further in repudiating the International Labor Conference,² charging

¹ In compliance with the invitation of the British Committee for anti-intervention for Soviet Russia, the *Nippon Rodo Sodomei* passed a resolution on May 28, 1922, demanding that the government evacuate Siberia and reopen commercial relations between Japan and Russia. This sympathetic attitude toward Soviet Russia was expressed by many other labor unions. In the same year, a Relief Committee was appointed by and from the working class for the relief of the Russian famine.

² There is a specific reason which brought about the opposition of the organized workers to the International Labor Conference. In selecting the workers' delegates to the International Labor Conference, which was held in 1919 at Washington, D. C., the government selected the delegates, regardless of the preference of the organized workers because labor unions were not legally recognized. The workers' delegates of Japan were never chosen from among, or approved by trade unions, and the protest against the method pursued by the government was raised year after year at successive sessions of the International Labor Conference, not merely

it as existing not to promote the interests of the working class, but as the cat's-paw of the capitalists. Radicalism, which at one time tinged deeply the whole labor movement in Japan, began to swing back to more moderate policies in 1922 and 1923.

THE RETURN TO REFORM POLICY—1923-1924

The earthquake in September, 1923, was an unprecedented national calamity, which called forth the united efforts of all the available forces for the reconstruction of the devastated area. In facing this catastrophe and the problem of speedy reconstruction, the working class, which had dreamed of instituting an ideal state for, and by the working class, realized that their power was too small to meet the situation and that they alone could do nothing. Utopian idealism collapsed before the insurmountable problems of reality. It is generally believed that this earthquake marks the turning point of the Japanese labor movement from radicalism to reform; but, if we examine the trend of the labor movement since 1920 we can see that there have been a number of causes influencing the working class to desert radical principles.

Economic prosperity came to an end in March, 1920, and the labor movement had to pass the crucial test during the period of industrial depression. Instead of demanding

by the Japanese trade unions, but by the very persons who in succession attended the conference as the workers' delegates from Japan. The workers' protest culminated in 1922 when the *Rodo Sodomei*, at its annual convention, passed a resolution denying participation in the election of the delegates, and to abolish the International Labor Conference through the cooperation of labor unions in the world. It was not until 1924 that the government gave the workers' organizations alone the right of selecting workers' delegates to the International Labor Conference. Cf. Iwao F. Ayusawa, "Industrial Conditions and Labor Legislation in Japan", pp. 91-92. Sangyo Rodo Chosasho and Nippon Rodo Sodomei, "The Labor Year Book for 1925".

higher wages and better working conditions, the strikers had to fight against wage-cuts and impending unemployment. Thus, the workers' situation was completely changed from the offensive to the defensive, and they had to consider the immediate problems rather than the establishment of an ideal state in the remote future. A declaration by the Yamamoto Government in 1923, right after the earthquake, of its intention of introducing a manhood-suffrage bill gave great hope to the working class of the possibility of organizing a proletarian party, and to achieve the end through political activities. On the other hand, the government, which had heretofore ignored labor unions in selecting the workers' delegates to the International Labor Conference, changed its policy in 1924, authorizing labor unions to elect workers' delegates from among organized workers. The political ascendancy of the British Labor Party in 1924 was also a great stimulus to Japanese workers.

On account of the development of these new situations, discrediting radical policies and giving hope for the achievement of the end through reform policies, the *Nippon Rodo Sodomei* at the Central Executive Committee Meeting which was held in October, 1923, passed a resolution embodying this idea which was carried unanimously by the Annual Convention in 1924. It asserted belief in the masses of the working population and rejected the leadership of a minority group of agitators. The resumption of political action on the line of reform policies was declared, calling upon the members of the *Nippon Rodo Sodomei* to make use of the International Labor Organization at Geneva, which it so far had persistently refused to recognize.¹ These principles were reaffirmed at the national convention in 1925.

¹ Cf. Susumu Koga, *Saikin Nihonno Rodo Undo*; K. Akamatsu, *Nippon Rodo Undoshi*; Ohara Institute of Social Research, *Labor Year Book of Japan*, 1921 to 1925. *Nippon Rodo Sodomei* and *Sangyo Rodo Chosasho*, "Rodo Nenkan for 1925".

The evolution of the labor policy of the *Nippon Rodo Sodomei* from radicalism to a reform policy gave a great impetus to many other labor unions which in the course of time, followed the principles adopted by the *Nippon Rodo Sodomei*, and for a time, it seemed that the pendulum had swung to the extreme Right; but, within a short time, the reactionary elements which had been submerged for a while, began to appear on the surface causing much uneasiness in the labor world, and finally the disruption of the *Nippon Rodo Sodomei* ensued.

THE PERIOD OF DISRUPTION, 1925 TO THE PRESENT (1927)

The internal disputes of the *Nippon Rodo Sodomei* started in September, 1924. At the annual congress of the Kwanto Federation of Labor, a local federation affiliated with the *Nippon Rodo Sodomei*, held in Tokio in 1924, the delegates of five unions,¹ dissatisfied with the attitude of the vice-chairman, left the mass meeting, and a serious situation developed. It is said that the main reason for this trouble was friction between Reformers and Communists in the Kwanto Federation of Labor. At a session of the Central Executive Committee, the delegates of the Kwanto Federation insisted on the expulsion of six officials and the five union represented by them, while representatives of the Kwansei Federation of Labor opposed the dismissals of these unions, although they did not object to the expulsion of the six leaders. It was predicted that the disruption of the *Nippon Rodo Sodomei* would be inevitable, but the whole question was settled when the six officials voluntarily offered to retire, and the Central

¹ The five unions in question were: The Amalgamated Trade Union of Eastern Tokio, The Kwanto Printers' Union, the Clock-Makers' Union, The Yokohama Amalgamated Trade Union, and the Kwanto Iron Workers' Union.

Executive Committee accepted the direct affiliation of the *Kwanto Chiho Hiogikai*, a local federation, newly created by and among the unions in question.

This gap between the radical group and the reform group was widened at the national convention of the *Nippon Rodo Sodomei* which was held in March, 1925. The clash of interests again resulted in the demand for the expulsion of the six delegates of the *Kwanto Chico Hiogikai*. It was charged that they belonged to the communist group, and were plotting to disturb the unity of the national organization. The Central Executive Committee meeting which was held after the convention, decided unanimously to dissolve the *Kwanto Chiho Hiogikai* on the ground that the existence of such a federation was against the interest of the *Nippon Rodo Sodomei*. These unions which were forced to dissolve then organized *Kakushin Domei* (Reform Alliance). They denounced the bureaucratic policy of the *Nippon Rodo Sodomei*, and its degeneration from the original spirit of the labor movement. Thirty local unions with a total membership of about 10,000 affiliated with the *Kakushin Domei*, organized in May, 1925, an independent national federation, under the name of *Nippon Rodo Kumiai Hiogikai* (Japan Council of Trade Unions). It was made up of radical factions, and soon it began to assume the leadership of the Left Wing of the Japanese Labor Movement.

Until the end of 1925, labor in Japan was represented by the Left Wing under the leadership of the *Nippon Rodo Kumiai Hiogikai*, and the Right Wing headed by the *Nippon Rodo Sodomei*, but it was not long before another current of thought began to run between the radical and the conservative. The organization of the *Rodo Kumiai Sorengo* (Japan Confederation of Trade Unions) in January, 1926, completed the stage setting by adding the Central faction.

The *Rodo Kumiai Sorengo* was organized by a group of people who had seceded from *Rodo Sodomei* in October, 1925, because of their disapproval of the action taken by the Central Executive Committee in expelling the radical member factions. The secession was not due to their sympathies with the radicals; but, it was rather because their hatred of the conservative policies toward which the *Nippon Rodo Sodomei* was drifting.

Dissensions within the *Nippon Rodo Sodomei* did not end with this. Internal strife occurred a third time in November, 1926, when Mr. Hisashi Asabu and his followers left the *Nippon Rodo Sodomei* in connection with a political quarrel between the Right and the Left which resulted in the withdrawal of the *Nippon Rodo Sodomei* from the Farmer-Labor Party (*Nomin-Rodoto*),¹ the single national proletarian political party at that time. The seceded group organized the *Nippon Rodo Kumiai Domei* (Japan Federation of Trade Unions) in November, 1926, and now it is recognized as one of the two important national federations representing the central current of the Japanese labor movement.

The repeated dissensions within the *Nippon Rodo Sodomei* were inevitable. Grown up from a nucleus of the *Yuaikai* organized in 1912, it had drawn to itself many labor unions which lacked a full understanding of the true meaning of the labor movement, but appreciated only the advantages of collective action to meet with the exigencies of industrial disputes; or, desired for their members a share of the opportunities which were easily granted to unions in the period of economic prosperity during the War. Their affiliation with the *Nippon Rodo Sodomei*, a strong national organization, was an immediate gain to them, and many hetero-

¹ Cf. *infra*, ch. xi.

geneous elements, radical and conservative, were included within the one federation. As the organization developed, activities were diversified, and policies had to be inclusive to meet the economic exigencies arising after 1920. The leaders of the *Nippon Rodo Sodomei* were mostly college or university graduates, who excelled in theoretical exposition but lacked practical training and insight into the actual conditions of Japan. Naturally, the principles and programs which were formulated on theoretical lines were found to be subjects of controversy. To make the situation worse, personal pride, as one of the characteristics of the Japanese, was too strong to be harmonized, and internal disruption first took place in 1924. This was furthered and intensified by entanglement in political activities.

The first dissension in the *Nippon Rodo Sodomei* was a danger signal marking a period of complete disruption, which threw all the labor unions and the proletarian political party into consternation. Dissensions and reorganizations among unions are still taking place. It is something like a chemical compound. Heterogeneous elements disintegrate to harmonize with homogeneous elements. They are crystalizing into three substances, more properly called, three currents of thought, *viz.* the Right Wing, the Left Wing, and the Centrists. We shall review next the principles and the programs of these three bodies of thought represented by *Nippon Rodo Sodomei*, *Nippon Rodo Kumiai Hiogikai*, and *Nippon Rodo Kumiai Domei*.

THE RIGHT WING

The principle of the Right Wing exemplified by the *Nippon Rodo Sodomei* is Social Democracy. It relies on political activities to achieve social and labor legislation, thereby seeking the amelioration of labor conditions. It supports the International Labor Organization as an agency

to bring international pressure upon capitalists and governments to concede the demands of the working class, and to enact improved labor legislation. The central idea of the Right Wing seems to be to utilize all the available means—economic and political—for the single, but inclusive, purpose of the amelioration of labor conditions. This group is opportunistic, and they are known as reformers. In their eyes, the economic, social and political conditions in Japan are very different from those found in the Western countries, and the principles and programs of activities developed in other countries cannot be applied without modifying them to Japanese conditions. They condemn the Left Wing in saying that they are poisoned by “the impractical ideas transported by a hollow ecstasy of revolutionary mania, regarding the disputes with employers as a rehearsal for revolution.”¹ The manifesto adopted at the special congress of the *Nippon Rodo Sodomei* held in October, 1925, laid down the following principles and program of activities:

1. As a step towards the realization of international unity of the trade union movement, to promote fraternity and co-operation among the Far Eastern Workers.
2. Internally, to continue active resistance against the capital offensive and the rising tide of reaction, and to establish a permanent program for the relief of unemployment, while making efforts for the repeal of the Peace Preservation Act and the Police Regulation Act.
3. To make positive endeavors for the formation of a proletarian party and the organization of a real national centre of trade unions. (*Rodo Sodomei* supports *Shakai Minshuto*—Social Peoples’ Party.)²
4. To adopt the following: (a) the establishment of a central

¹ *Shakai Seisaku Jiho*, no. 78, March, 1927, p. 199.

² Cf. *infra*, ch. xi.

authority and the principle of industrial unionism; (b) the strengthening financially of the affiliated unions; (c) efficient leadership and control of trade disputes and the establishment of strike funds; (d) active campaigns for organization of the masses of unorganized workers; (e) the coordination of workers' education and the adoption of a class-conscious educational policy; (f) more efficient organization of research department.

It will be seen from this program of activities, that the *Nippon Rodo Sodomei*, instead of blowing a trumpet at high pitch, aims at the gradual reform of the social order through organization of the unorganized mass, and on the basis of the actual economic, social and political conditions in Japan.

THE LEFT WING

The constituents of the Left Wing are sometimes considered by the public as communists, "red" and revolutionary; but, the Left Wing, particularly in Japan, is to be taken in a broader sense, including various gradations from "rose pink" to "vermillion red". Heterogeneous as they are, the socialists, communists and anarchists are united under the flag of the Left Wing.

It must be remembered that the Japanese labor movement is still young, and affiliation with, or dissension from the Left Wing, or the Right Wing, results not only from a difference in the principle of a particular union, but also from personal attachment or dislike of the individual.

The body of thought of the Left Wing in Japan is Marxism; but, there are some who are deeply tinged with communism, following after Lenin. Classified in detail, the Left Wing will show more varieties of ideas and policies intermingled, than any other Wing, on account of its inclusiveness of different bodies of thought within the broad name of "Left Wing". The unity of these heterogeneous

elements is achieved by two external forces—the Peace Preservation Act,¹ and the undeveloped unionization of labor in Japan.

The Peace Preservation Act, which was promulgated in April, 1926, prohibits with penal servitude, any attempt to overthrow private ownership, or to change the national constitution. Radicals are in danger of conflicting with this Act if they express or attempt measures as drastic as they contemplate; and, the professed programs of activities are necessarily modified to such an extent as to harmonize with less militant groups.

Labor conditions in Japan as interpreted by the Left Wing, and its program of activities, are best illustrated in the manifestos adopted at the first and the third annual congress of the *Nippon Rodo Kumiai Hiogikai*, held in May, 1925, and May, 1927, respectively.

The manifesto adopted at the first annual congress says, in part,

Labor in Japan has been placed at considerable disadvantage in the last few years. The capitalists have been stimulated by the increased activities of the organized workers, and the rapid enactment of labor legislation, disadvantageous to the employing class, has awakened them to see the impending danger of labor threatening the interests of the capitalists, and they have begun to mobilize every available force to defend themselves. This conscious opposition of the capitalists against the working class which has been suffering from economic depression further drove labor into a disadvantageous corner. As a result, the hope of ameliorating labor conditions by the present power of labor organizations—with small membership, and almost no financial support—has been lost. Facing these adverse situations, some unions [referring to the Right Wing] betrayed the working class by drifting away from the spirit of the labor move-

¹ Cf. *infra*, ch. xiii.

ment, and they began to hitch hopes of improvements to reform policies, conciliating the capitalists.

The extension of suffrage, labor legislation, and the welfare work of the capitalists are considered by the radicals as poisons, deteriorating the fighting spirit of the laboring class and diminishing class consciousness. The only means of achieving the amelioration of labor conditions is, in the eyes of the radicals, the unity of all working people, and the waging of war against the capitalists. With such conceptions of the position of the laboring class in Japan, the *Nippon Rodo Kumiai Hiogikai* formulated the following principles at the first annual congress,¹ May, 1925:

1. Aims. The *Nippon Rodo Hiogikai* aims to resist the capitalists' exploitation by means of organization and struggle; to maintain and improve working conditions; to secure employment and the promotion of the workers' standard of living; to emancipate the working class; and, to establish a just and rational social life.
2. Workers' education. It is the responsibility of labor unions to educate the working masses to free themselves from the capitalistic attitude of mind; and to promote organized activities of workers based on the principle of "class consciousness".
3. General principle of the labor movement. The fundamental principle of the labor movement should be the complete emancipation of the working class, and the union should keep in touch with the mass of working people. The program should embody the actual necessities and the demands of the working class.
4. Organization. All the activities of the union should emanate from organization based on the principle of democratic concentration. In such an organization, each individual member can participate in union activity, and it will

¹ *The Labor Year Book of Japan*, 1926, pp. 222-223.

achieve maximum fighting power, for it enables the concentration of the will and action of the mass of the working people. The mass should be organized on the line of industrial unionism based upon the principle of "class consciousness".

At the second annual congress, which was held in May, 1927, the *Nippon Rodo Hiogikai* declared a new policy—the subordination of trade unionism to a political party, or, as leaders have said, the coordinating of economic and political action under the control of the majority of the working class. This new departure of trade-union policy is largely due to desire to take advantage of political strife at the coming general election which will take place in 1928. It is the first test of manhood suffrage, and every political party is preparing to meet the new situation. The gaining of supremacy in the political field over the four proletarian political parties now existing would mean the achievement of great prestige among the working class, and it would also give an unprecedented opportunity for the expansion of the trade union itself. Thus, not only the radical group, but also the Right Wing as we have already seen, and the Centrist which we shall describe later, emphasize the importance of the political activities of the trade union.

In the resolution passed by the congress, it was urged to form workers' factory committees and organize factory workers' delegates' councils, either of which may be joined by any worker without distinction of his affiliation or opinions. As items of the new program, the following were adopted:¹

1. The eight-hour day and forty-eight-hour week (six-hour day and thirty-six-hour week for miners).

¹ *Shakai Seisaku Jiho*, no. 82, July, 1927, p. 200 and *Labor Gazette*, vol. iv, No. 5, May, 1927, pp. 134-135.

2. The establishment of standard living wages.
3. The establishment of an unemployment relief maintenance system.
4. Protective legislation for the employment of non-industrial workers.
5. The protection of women and children.
6. Fundamental revision of the Factory Act, the Mining Act, and the Mariners' Act.
7. The abolition of the bureaucratic Rules of Employment.
8. Drastic revision of the Health Insurance Act.
9. Enactment of a satisfactory Trade Union Act.
10. Immediate abolition of the Peace Preservation Act, the Act Concerning the Conciliation of Labor Disputes, and other anti-labor legislation.
11. Freedom of workers to join any political party.
12. Decided opposition to Fascism.
13. Aid for the labor movements in Korea and Formosa.
14. Struggle for the accomplishment of the national unity of the working class.
15. Non-recognition of the International Labor Conference.
16. Struggle for the unity of the international trade-union movement.

THE CENTRIST

The standpoint of the Central faction and their program of activities are best illustrated in the manifesto and programs ¹ of the *Nippon Rodo Kumiai Domei* (Japan Federation of Trade Unions) adopted at its first annual congress held in Tokio on April 10th to 12th, 1927, and also through the manifesto ² of the *Nippon Rodo Sorengo* adopted at its second annual congress in Osaka, June 19, 1927.

¹ *Labor Gazette*, vol. iv, no. 4, April, 1927, pp. 93-97.

² *Ibid*, vol. iv, no. 6, June, 1927, pp. 14-15. Also, cf. *Shakai Seisaku Jiho*, August, 1927, p. 209.

The *Nippon Rodo Kumiai Domei* says in a part of its manifesto that the proletarian class in Japan is oppressed by the capitalists, and exploited under the guise of welfare work and labor legislation. The emancipation of the working class, under the present conditions in Japan, can hardly be achieved without the union of all the labor organizations and their concerted action against the capitalists in both economic and political fields; but, the actual condition of the labor movement in Japan shows constant disruption. Unions are fighting one another, and the whole working class movement is in a chaotic condition. It says, "The lack of unity is due to the selfishness of union leaders and their lack of guiding principles." The manifesto goes on to criticize both the Right and the Left Wing by saying that Japanese capitalism was developed within a short period, and many traditions and reminiscences were carried over from the feudal period. The Right Wing, externally influenced by the world trend of the labor movement returning to reform policies, and internally facing the adverse situation against labor, and soothed by the paternalistic benevolent action of the capitalists, has lost the fighting spirit. The radical group, on the other hand, being enchanted by idealistic theories, and especially by the experiments of the Soviet Union, lost sight of the real position of the proletarian class, and emphatically brought forward the class-struggle idea, interweaving it with inapplicable radical policies. Having encountered insurmountable obstacles in carrying over radical ideas in their strife in the economic field, the radicals are now concentrating upon the political arena. The *Nippon Rodo Sorengo* harshly denounces them in saying that labor unions belonging to the Left Wing, are not organized in the interest of the working class; but, rather for the object of experimenting with communism in Japan.

According to the contention of the Centrists, the ameliora-

tion of labor conditions in Japan is possible only through the complete unity of all trade unions and their concerted action in the struggle both in the economic field and the political arena. With these conceptions of the position of the working class in Japan in relation to the capitalist, the *Nippon Rodo Kumiai Domei* laid down the following guiding principles, objects and program of activities :

Principles.

1. We oppose the economic exploitation and the political oppression of the capitalist from the standpoint of class struggle.
2. By waging war against the economic injustice of the capitalists, we aim to organize the unorganized masses based on class consciousness.
3. We concentrate our fighting power by confederating industrial workers and agricultural laborers, based on class consciousness.

Objects.

1. We aim, through organized force, to maintain and to improve labor conditions, and to completely emancipate the working class from the exploitation of capitalists.
2. By acting on and maintaining class consciousness, we insist on waging war against capitalists.
3. We aim to fight gallantly by means of strong labor organization, clear understanding of our own standpoint, and rigorous training of the members.

Programs of Activity.

1. The positive support of the *Nippon Ronoto* (Japan Labor-Farmer Party).
2. Eight-hour day and forty-eight-hour week. In the mining industry, six-hour day (shifting the work at the entrance of the pit) and thirty-six-hour week.
3. Establishment of the minimum wage system.

4. Absolute prohibition of women and juvenile workers from employment for night work; the improvement of the factory dormitory system.
5. The abolition of the Police Peace Regulations, Peace Preservation Act, and all other legislation suppressing the labor movement.
6. To institute May Day as a national holiday.
7. The recognition of the Nationalist Government¹ in China.

¹ Refers to the Nationalist Movement under the leadership of Chankai Sekhi.

CHAPTER XI

LABOR MOVEMENT—*Continued*

POLITICAL ACTIVITY OF LABOR

Since the passage of manhood suffrage in 1924, and as a result of the resumption of labor-union participation in political activities in 1922, both labor unions and tenant unions have been busy planning to organize a political party. The first attempt to form a proletarian political party was proposed by the *Nippon Rodo Sodomei* (the Right) in February, 1925. Bitter conflict between the Right and the Left Wing crept into preparatory meetings which caused the secession of both the Right and the Left Wings from the organization meeting. It was, therefore, apparently the Centrist alone which took part in the inaugural celebration of the first proletarian party on December 1, 1925. The new party was designated the Farmer-Labor Party (*Nomin Rodoto*).

The organization of the Farmer-Labor Party was hailed as promising a great future for the proletarian class, laborers and tenant farmers as well. Unfortunately, however, the Farmer-Labor Party had a premature death, for the Minister of Home Affairs ordered its dissolution three hours after the charge that the Party was dominated by communists. It was alleged that the programs adopted and published did not reveal the truth, but that radical communistic principles were hidden away. Legally, the constitution violated the Police Act which prohibited the affiliation of organized units into a political party; and, also it involved the question

of women and child workers in trade unions whose political activities are prohibited.

The fervent desire among the proletarian class for the organization of a political party was thus suppressed by the dissolution of the Farmer-Labor Party, but soon after, the formation of second proletarian party was sponsored by *Nippon Nomin Kumiai* (Japan Peasant Union) and the *Kangyo Rodo Sodomei* (Confederation of Workers in State-Owned Industries). The slogan "Single National Political Party" was the symbol of the proletarian party. The new party had to solve the serious problem of compromising the conflict between the Right and the Left before any progress could be made.

The unconciliatory attitude of the *Nippon Rodo Sodomei* against *Nippon Rodo Hiogikai* was considered as one of the insurmountable obstacles, for the former objected to cooperating with the *Nippon Rodo Kumiai Hiogikai* and three other radical organizations. On the other hand, the *Nippon Rodo Kumiai Hiogikai*, when it had seceded at the preparatory meetings of the first proletarian party, held the pledge given by the *Nippon Nominto* that they would invite members of the *Nippon Rodo Kumiai Hiogikai* to join the party at some future date. Fortunately, this difficulty was removed as the leaders of the *Nippon Rodo Kumiai Hiogikai*, in view of the difficulties arising from their participation in the formation of a new party, proposed to refrain from attending the inaugural meeting. In March, 1926, the second proletarian party, *Rodo-Nominto* (Labor-Farmer Party) was formed with an agreement among the unions belonging to the Right Wing to suppress the influx of the Left Wing, or the communists as they are called. At the inaugural meeting, the *Rodo-Nominto* made public the following principles and program of activity.¹

¹ Material for the political activities of the laboring class was collected

Principles.

1. We, taking into consideration the special national characteristics of this country, aim at the complete emancipation, political, economic, and social, of the proletarian class.
2. We aim at reforming, by legitimate means, the present unfair conditions regarding land, production and distribution of wealth.
3. We aim at the overthrow of the established political parties, which represent only the interests of the privileged class, and at the thorough reform of the Imperial Diet.

Programs of Activity.

1. Complete universal suffrage (the enfranchisement of men and women over twenty years of age).
2. Repeal of acts and regulations restricting the working class movement.
3. Abolition of discrimination against the subject races.
4. Reduction of armament and democratic reorganization of army and navy.
5. Adequate State compensation for men and their families serving in the army or navy during war time, or when disabled, or while in actual service as privates.
6. Abolition of unfair taxation and adoption of progressive taxation on property.
7. Abolition of taxation on daily necessities.
8. Popular control of diplomacy.
9. Establishment of the rights of association, strike, and collective bargaining.
10. Establishment of the right of cultivation of land by tenant farmers.

from the following sources: *Shakai Seisaku Jiho* (Social Reform), nos. 64-78; *Rodo Jiho* (Labor Gazette), vols. iii and iv; *Labor Year Book of Japan*, 1926; *Toyo Keizai Shimpo* (The Oriental Economist), 1926, 1927; *The Economist*, 1926, 1927; *Osaka Asahi Shimbun*; *Osaka Mainichi Shimbun*.

11. Adoption of the minimum wage system.
12. Abolition of night work, underground work and other dangerous work by children and women.
13. Adoption of the eight-hour day.
14. Amendment of the Factory Act.
15. Abolition of legal discrimination against women.
16. Prohibition of traffic in women.
17. Abolition of restrictions on education and vocational guidance for women.
18. Institution of social insurance.
19. State compensation for false charge and unlawful detention.
20. State defrayment of all expenses for compulsory education and vocational guidance.

The intention of the radical group to creep into the Labor-Farmer Party was soon put into action; and, the agreement among the Right to keep the communists out of the party was somewhat weakened as the open-door policy was adopted in regard to associations. This offered an opportunity for the Left Wing to become a power in the party. Within a short period of time, the radical group succeeded in forming many branches of the party, and even federations of these branches began to appear in several prefectures.

Seeing the danger of the influx of the much hated radicals, the *Nippon Rodo Sodomei* proposed at the third meeting of the Central Executive Committee which was held on July 26, 1926, that four radical organizations¹ should be strictly excluded from the Labor-Farmer Party. This proposal was accepted at the committee meeting, but the

¹ The four alleged radical associations are as follows: *Nippon Rodo Kumiai Hiogikai* (The National Council of Trade Unions); *Taishu Kyoiku Domei* (Proletarian Educational League); *Musan Seinen Domei* (Proletarian Youth League); and *Suiheisha* Youth League.

decision on the *Suiheisha* Youth League¹ was postponed. It was also decided at the same meeting that any member who advocates the dictatorship of the proletariat, the restriction by force of the freedom of speech, and the ignoring of minorities and anti-parliamentarism should be expelled. This attempted exclusion of four organizations from the Labor-Farmer Party inflamed the Left Wing against the Right Wing and the gap between the two was much widened.

DISRUPTION OF SINGLE PROLETARIAN POLITICAL PARTY

The intention of the Left Wing to control the Labor-Farmer Party did not end upon their being thrown out; it was intensified. In due course of time, they succeeded in inducing both *Nippon Nomin Kumiai*, the sponsor for the organization of the *Rodo Nominto* and the National Conference which was specially called to consider the question of the movement to agitate for the dissolution of the Diet,² to urge the Central Executive Committee to adopt the open-door policy in regard to the admission of members. This action was considered by the Right as open war against the *Nippon Rodo Sodomei* and its friends. The *Nippon Rodo Sodomei* called an emergency meeting and decided to withdraw from the Labor-Farmer Party. Other organizations

¹ *Suiheisha* is an association of the so-called "Yeta". There are over 1,000,000 persons belonging to this class. Legally they enjoy every privilege of citizenship; but, socially, they are discriminated against. Government and civil service practically are not open to them. Social forces prohibit the marriage of a person belonging to this class with another class. Since liberal thought began to flood Japan during and after the World War, this class organized "*Suiheisha*" (literally, an association to level the water) to liberate them to stand on an equal plane with other classes of people. Their interest in a proletarian party comes from their hope of achieving their end by political activities.

² A movement for the dissolution of the Diet was proposed to hasten the opportunity for the proletarian class to participate in the general election prior to the regular election year, 1928.

were also ready to withdraw their membership. Accordingly, on October 26, 1926, just before the fourth Central Executive Committee meeting was going to be opened at Tokio, the representatives of the *Jichikai* of Tokio Tram Car employees, National Confederation of the Labor Union of Japan, and the Stewards' Federation of Japan withdrew from the Central Executive Committee announcing that they found it impossible to remain on the Committee, after all their efforts to prevent internal conflicts proved of no avail. They were followed by the withdrawal of the General Federation of Workers in State Controlled Industries and the *Nippon Rodo Sodomei*. After half an hour there remained on the Central Executive Committee, only the representatives of the Japan Peasant Union and Pottery Workers' Union of Kyoto. The executive of the latter afterward decided to withdraw, the delegates who remained being representatives of only an affiliated union and not of the Federation.¹

The secession of dissatisfied members on the Central Committee of the Labor-Farmer Party was followed by chaos. Consequently, two new political parties were organized, one representing the Right Wing and the other, the Central faction. The Labor-Farmer Party is now regarded as the Left Wing, and the *Nippon Rodo Hiogikai* is the main supporter of this party.

Soon after the disruption took place in the Labor-Farmer Party, the leaders of the *Nippon Rodo Sodomei* announced that they would devote their political activities to organizing local parties until some opportune time arrived when circumstances would warrant the successful formation of a single national party. They instructed the affiliated unions to withdraw from the Labor-Farmer Party; at the same time they started negotiations with the leaders of the *Dokuritsu*

¹ *Shakai Seisaku Jiho*, no. 77, February, 1927.

Rodo Kyokai (Independent Labor Society). In the meantime, a statement signed by Professors Abe,¹ Yoshino,² and Horie,³ was issued on November 4, 1926, announcing the plan of organizing a new political party in which the workers, both manual and clerical, were to be represented. As a result of this, a new proletarian political party, *Shakai Minshuto* (Social Peoples' Party) was inaugurated on December 5, 1926. The principles and the program of this party follow:

Principles.

1. We aim at the establishment of a political and economic régime with the working class as its foundation, on which we believe the sound development of the national life depends.
2. We aim at reforming by every rational means the capitalist system of production and distribution, the present condition of which is, we believe, injurious to the people's interests.
3. We oppose the established political parties which only represent the privileged classes, and also the radical parties which ignore the processes of social evolution.

Program.

1. Universal suffrage.
2. Reform of the Parliamentary system.
3. Repeal or the amendment of the acts and regulations restricting the freedom of speech, meeting, and assemblage:
 - (a) Peace Preservation Act.
 - (b) Police Peace Regulations.
 - (c) Newspaper Act and Press Regulations.
4. Reform of the military system.

¹ Prof. Isao Abe of Waseda University, Tokio.

² Prof. Sakuzo Yoshino formerly a professor at Tokio Imperial University.

³ Prof. Kiichi Horie of Keio University, Tokio.

5. The fundamental reform of taxation and the State's finance.
 - (a) Property tax and income tax.
Progressive taxation on property, income, inheritances. Abolition of indirect taxes on articles of daily necessity.
 - (b) The extension of the banking system for popular use.
6. Reform of the administrative functions.
 - (a) Local administration.
 - (b) Sanitary administration.
7. Fundamental reform of the educational system.
 - (a) Elementary education by public expenditures.
 - (b) Extension of facilities for higher education.
 - (c) Abolishment of the uniform educational standard.
8. Socialization of important industries.
9. Reform of the land system.
10. Completion of labor legislation.
 - (a) Establishment of the right to strike and the right of association.
 - (b) Establishment of the minimum wage system.
 - (c) Reform of the Factory Act, Mining Act and Seamen's Act.
 - (d) Ratification and putting in force treaties signed at the International Labor Conferences.
 - (e) The establishment of protective legislation for workers in building trades.
11. The completion of the Tenant Act.
 - (a) The establishment of the right of the cultivation of land.
 - (b) Reform by legitimate methods of the farm-rent system.
12. The establishment of protective legislation for the salaried class.
13. Abolishment of legal and economic discrimination against women.

14. Furtherance of social work.

- (a) Completion of the insurance for unemployment, health, old age and accident.
- (b) Extension of facilities for medical treatment.

ORGANIZATION OF NIPPON RONOTO (WORKERS AND
PEASANT PARTY OF JAPAN)

Prior to the inauguration of the Social Peoples' Party, certain leaders of the *Nippon Rodo Sodomei* had been approaching local trade unions with a plan to form a new national party which would affiliate neither with the Labor-Farmer Party, nor with the Social Peoples' Party. This group headed by Mr. Hisashi Asabu denounced the attitude of the *Nippon Rodo Sodomei* as traitorous, drifting away from the spirit of the labor movement. This internal conflict culminated in the secession of the Japan Miners' Union and others from the *Nippon Rodo Sodomei*. They then organized a rival central party known as *Nippon Ronoto* (Workers and Peasant Party of Japan).

The principle adopted by the Workers and Peasant Party is exactly the same as that of the Labor-Farmer Party, while the program is slightly different. In the program of the Workers and Peasant Party of Japan, numbers 7, 14 and 16 of the program of the Labor-Farmer Party were dropped and the following items were added:

1. Abolition of military training of students and young men or any action leading to militarizing the nation.
2. The establishment of autonomy in the administration of local governments.
3. The reform of the postal system and cooperative association system. The establishment of a banking system for the proletarian class.
4. Price fixing of important foods by the government.
5. Government protection of industries producing raw materials.

6. Abolishment of unjust discrimination.
7. The extension of the work of the Employment Bureau.
8. Public administration of medical treatment.

The Japan Peasant Party (*Nippon Nominto*) is another national political party supported exclusively by tenant unions belonging to the Right Wing. This party was organized by those tenant unions which seceded from the Japan Tenant Farmer Union after it became radical.

The Labor-Farmer Party (the Left Wing), Social Peoples' Party (the Right Wing) and the Workers and Peasant Party of Japan (the Centrists) are therefore three national proletarian political parties organized and supported by trade unions, the working class in general, and tenant farmers' unions, each according to its professed principles. The programs of these political parties partly reflect the economic, political and social conditions existing in Japan now, and the workers' aspirations to reform their conditions. They are not, however, programs drafted after deliberation and research, but rather the outcome of hasty conclusions to meet an emergency newly developed, after the disruption which took place in the Farmer-Labor Party. The political activity of the trade unions became so important for its future development that the seceded unions could not remain idle. Principles and programs were adopted merely as a signboard, so to speak, of a temporary nature, and a number of things included in their programs are mere imitations of the preexisting labor party or simply a transplantation of foreign ideas, irrespective of Japanese social and economic conditions. Furthermore, the political activities of the working class are yet in a stage of preparation, for manhood suffrage has not yet been put into practice, and no proletarian party has had the chance of presenting its views in Parliament. Accordingly, those planks already referred

to may undergo a considerable change when their struggles actually begin in Parliament. Political activities may help to bring the disrupted proletarian parties and trade unions into one confederated party, or the situation may so develop as to cause further disruption.

One of the noteworthy phenomena of the political activities of industrial workers in Japan is their cooperation with the peasant unions. Generally speaking, industrial workers have very little interest in the peasant class, and the peasants have little interest in the industrial workers. Unity is brought about through the leaders in both fields. The rank and file have very little responsibility for it. The united front is a common interest of tenant farmers and industrial workers in order to increase their strength so that they may gain favorable legislation and achieve improvement in their working conditions; but, as there are many conflicting interests between the industrial workers and the tenant farmers,¹ there is no guarantee that the united action will continue when a program has to be framed after they have won seats in Parliament.

SOME CHARACTERISTICS OF THE JAPANESE LABOR MOVEMENT

In our discussion of the labor movement in Japan, in both the economic and political fields, two conflicting factors stand out: (1) the necessity of the unity of all trade unions for progress, and (2) the present disruption.

The disintegration of the labor movement in Japan is often alleged to be the result of the clash of principles between the reformers and the radicals, but both of them accept the class-struggle doctrine, organize unions on industrial lines, and approve parliamentarism as a means of achieving the amelioration of working conditions. There is very little difference in their principles and programs, and

¹ Cf. *supra*, ch. v.

especially is this conspicuous in the political field. Between the Right, the Left and the Center, we fail to notice much difference, although this similarity of the professed principles and programs of these three groups is partly brought about by necessity due to the existence of the Peace Preservation Act. At the same time, they suggest that there is common ground upon which divided groups can confederate into one unit for the good of the proletarian class. It seems that the characteristics of labor leaders, and the quality of the mass of working people are responsible for the disruption of labor in Japan.

Most trade unions in Japan were organized in and after 1918, and the history of the oldest union, the *Nippon Rodo Sodomei*, goes back only to 1912. The shortness of the history of the labor movement in Japan accounts for the lack of training of both leaders and the rank and file of workers.

The desire of the majority of intellectual labor leaders to be "bosses" is very strong among the Japanese, who, having very little opportunity to develop new fields, tend to destroy existing institutions, or the prestige of other persons, in an attempt to place themselves in power. What apparently looks like a clash of principles in the Japanese labor movement is to a great extent the shadow of the clash of sentiment in the fight for "boss domination". As the leaders lack training, so it is with the rank and file. They have been recruited from among the uneducated class and independent thinking cannot be expected of them. The swing of the labor movement now to the Left and then to the Right does not really represent the changing attitude and the sentiment of the rank and file of workers; but, rather it reflects the varying attitude of the leaders. Workers in a union appear radical if they happen to be in a union, the leader of which is radical. The tactics and policies of the trade union are

the products of a few leaders and the ideas of the majority are not woven into the principles of the union.

The difficulty of uniting does by no means minimize the necessity and the desire of cooperation. There has been a persistent attempt since 1924 to form a single confederated body of trade unions.

The national confederation of labor unions was urged in 1921 as a result of the economic depression and impending unemployment. The united front of the workers for self-defense was the watchword in those days. The first attempt toward this end was the conference held in September, 1922, which resulted in failure on account of the bitter conflict between the radical and the reform groups. The *Nippon Rodo Sodomei* and the allied unions (the Right Wing) insisted that the proposed national organization of labor should be an amalgamated body, so that it would achieve highly centralized power. The *Shinyukai* Union and its allied groups (the Left Wing) insisted on forming a national federation of labor unions, by free association, so that the autonomy of each union would be maintained. No agreement was reached between these opposing viewpoints, and the much hoped for confederation or amalgamation, of labor unions did not materialize.

After manhood suffrage passed in 1925, the workers' participation in political activities became a practical problem, and once more the question of forming a united front of all the labor unions arose. In February, 1925, a national labor-union conference was called in the joint names of the General Federation of Labor in State Owned Industries and the Japan Peasant Union. The idea was to create a body to confer on problems common to all unions, such as the organization of a proletarian political party, the election of delegates to the International Labor Conference, and the launching of a united movement opposing any labor legisla-

tion injurious to the interest of the working class. The proposed meeting was called off on account of small attendance. A similar attempt in the same month also resulted in failure for a like reason. Although these attempts have not materialized, local federations of labor unions were formed in 1925 in the metropolitan cities with the purpose of forming a joint body for considering the unemployment problem and labor legislation. The Osaka District Federation of Labor formed in December, 1925, was one of these.

In June, 1926, a national conference of labor unions was called by the Osaka District Federation of Labor. It was attended by twenty-seven important unions and federations; but, nothing of a permanent nature resulted.

The repeated attempts to form a national confederation of labor unions indicate the importance of the unified activities of labor. The repeated failure is said to be caused by the unconciliatory attitudes maintained by the Right Wing and the Left Wing. The sentiment expressed in the manifesto of the *Nippon Rodo Sodomei* in 1925 and the resolution passed at the Annual Convention held in October, 1926, reveal causes preventing unity. The *Nippon Rodo Sodomei* held the idea that the formation of a national federation of labor unions was hardly possible unless a special incident detrimental to the laboring class as a whole took place. To quote the resolution:

A national federation of labor unions is most urgently needed for the development of the Japanese labor movement, but we (the *Nippon Rodo Sodomei*) should take the most healthy course. The words, "the national federation of labor" sound well, but the inclusion of the *Nippon Rodo Hiogikai* in the federation is a great obstacle to achieving the end, for it ignores the friendship and disturbs the peace and order of united work. We shall, therefore, first attempt a confederation of labor unions which stand for the same principles as those maintained by the *Nippon Rodo Sodomei*.

The recent trend for a confederation of labor unions is not, therefore, for an all-Japan federation of unions, but a confederation for each section, the Right, the Left, and the Central. The formation of the Confederation of Labor and Peasant unions in Japan by the Central, on January 25, 1927, is an indication of the movement toward a sectional confederation of labor unions in Japan.

THE MOVEMENT TOWARD THE ORGANIZATION OF LABOR
UNIONS ON INDUSTRIAL LINES¹

One of the most remarkable developments in Japanese trade unionism during the last few years is the formation of labor unions on industrial lines, comprising all the trades in one industry or allied trades. It is reported that about forty-four per cent of the labor unions and eighty per cent of the organized workers belong to this type of organization.

The trade unions in Japan admit as members, not only skilled workers; but, also unskilled workers and even women, and there is no conflict between one trade and another within one federated body. The reason for the movement toward industrial unionism is merely the necessity of forming an effective united front. A labor union organized on trade lines deprives the workers of power by dividing them into small sections. It also interferes with speedy action in industrial disputes for the mobilization of all labor forces within an industry as a whole only comes through negotiations between different trades.

The necessity of organizing workers into industrial unions was strongly felt after the labor movement was disrupted into the Left Wing and the Right Wing in 1925. This divided small organized groups into still smaller sections, thereby weakening the power of each section. The *Nippon*

¹ *Shakai Seisaku Jiho*, no. 68, May, 1926, p. III. K. Matsuzawa, "Wagakunini Okeru Sangyobetsu Godo Undo."

Rodo Kumiai Hiogikai, the leader of the Left Wing, is the champion pushing the movement for industrial unionism. At its third Annual Congress, it definitely wrote in its constitution the clause that industrial unionism should be the basis of its organization.¹

¹ The constitution says, the industrial union may be organized with more than two hundred members belonging to the same industry in one locality. (Article 5.) The amalgamated union may be organized with more than one hundred members who belong to one or more industries which cannot be organized on industrial lines (Article 6), *cf. Labor Gazette*, vol. iv, no. 5, May, 1927, p. 16.

CHAPTER XII

EMPLOYERS AND EMPLOYEES

Employers in Japan are still lingering in the shadow of paternalism, practiced since the feudal age. They do not look upon labor as a class irreconcilable with the capitalist, and labor unrest appears to them as a puppet show in which the mass of the working class are but figures moving and dancing according to the will of the minority labor leaders in a mock drama. There are, of course, employers of large industrial concerns who look at the labor movement in a way similar to their Western brothers, and already, there is the beginning of a movement to check the encroachment of workers by forming a federation of employers' associations. A large majority of employers in Japan show very different reactions to the working-class movement from what we observe in Western countries. The employers' attitude toward labor may be illustrated by their reactions to: 1. labor organizations and labor disputes; 2. welfare work; and 3. the employers' movement against the working class.

EMPLOYERS' ATTITUDE TOWARD LABOR ORGANIZATIONS AND LABOR DISPUTES

The majority of employers are not yet fully awake to the true meaning of the labor movement. They consider labor leaders ruffians, and labor unions trouble-making organizations. Workers are advised not to join the union, and union members are often dismissed. This misunderstanding and hostility against union labor, however, will diminish when it becomes an association legally recognized.¹

¹ Cf. *infra*, ch. xiii.

Although employers show hostility to labor unions, they do not oppose the establishment of shop committees, and very often, the introduction of such an organization is encouraged by the employer. To the employer's eye, it is not a mere substitute for labor unions, but the logical outcome of his conviction that paternalism can ameliorate labor conditions and solve labor problems, and the successful application of paternalism in industrial relations requires an organization which will foster understanding between labor and capital.

Not only is the shop-committee system preferred by employers to the labor union; but, the laborers themselves demanded the creation of such an organization. During 1920 and 1921, workers in the Kansei district, (including Osaka and Kobe) undoubtedly influenced by the spread of such organization in foreign countries, strongly urged the employers to institute the shop-committee system. The demand for the creation of such an organization was a factor in twenty-five strikes in 1921. The hope of improving labor conditions and alleviating disputes through shop committees was so strong among employers and employees that in the single year of 1921, forty-five shop committees were created, and it seemed at the time that this system would spread all over the country.

The organization, however, lacked the system of balancing the power of the employer and the employee delegate on the shop committee, and it became, so to speak, a tool of the employer — a consulting body, which failed to carry out effectively the will of the workers. Of thirty-six shop committees investigated by Kyocho-Kai during October, 1927, and March, 1926, 30.6 per cent did not deal with labor questions at all; 11.1 per cent had the right to deal with labor questions with certain limitations; and only 58 per cent could take up all kinds of labor problems.¹

¹ *Shakai Seisaku Jiho*, no. 72, September, 1926, pp. 120-121.

Due to the one-sided function of the shop committee, the workers' expectation of the speedy amelioration of labor conditions through this system did not materialize, and they lost faith in it. So far as the workers are concerned, there is very little demand for the establishment of shop committees at present.

According to the report of the Kyocho-Kai, there were in March, 1926, 122 shop committees with an aggregate membership of 339,482 throughout Japan.

TABLE XXXV
NUMBER OF SHOP COMMITTEES AND MEMBERSHIP, MARCH, 1926

Industry	Number of Shop Committees	Membership		Total
		Men	Women	
Textile and dyeing.....	35	9,889	38,705	48,594
Machine and tools.....	23	29,287	978	30,265
Chemical.....	4	1,489	211	1,700
Miscellaneous and Gas and Electricity...	6	3,811	896	4,707
Mining.....	11	20,711	2,016	22,727
State Controlled Industries, including				
State railway system.....	33	202,217	23,855	226,072
Public enterprises.....	9	5,415	2	5,417
Total.....	121	272,819	66,663	339,482

Cf. Shakai Seisaku Jiho, no. 71, August, 1926, pp. 96-97. "*Wagakunini Okeru Rodo-Inkai no Genjyo*" (The Present Condition of the Shop Committee System in Japan) by C. Hiroike. According to the report of the Bureau of Social Affairs, there were 155 shop committees at the end of December, 1924. The report of the Kyocho-kai shows, therefore, a decrease of 21.3 per cent in the number of shop committees during 1925 and 1926.

How far the decisions or proposals of shop committees were adopted is not known, since statistical data are lacking; but judging from a few examples, illustrated below, the outlook seems promising:

Example 1. The Department of National Railways spent five million yen during the period of 1921-1925 as a result of the adoption of the decisions and proposals made by the National Railroad Shop Committee.

2. In a certain State controlled industry, 282 proposals were made by a shop committee, and 70 proposals or 24 per cent were taken up by the employer.
3. Out of 33 proposals made by a shop committee in one mining industry, only 8 proposals were turned down by the employer.
4. Eight shop committees belonging to three different companies took up 1,245 problems during a period of four years and 45.5 per cent of them were accepted by the employers; 7.3 per cent were partly accepted; and 23.4 per cent were rejected. The remainder of the proposals were either awaiting solution or had been withdrawn by the shop committees.
5. A shop committee in a certain State-controlled industry made 74 proposals and one-half of them were accepted.

A shop committee functions as an intermediary between capital and labor and it fosters understanding between the two opposing classes. In a country like Japan where employers are strongly inclined to practice paternalism, the system may work much better than in other countries. It seems that the shop committee should not be totally abandoned but rather improvement should be sought in the system by which the will and the power of the workers are delegated freely and fully as those of the employers.

The attitude of Japanese employers toward the labor union and the shop committee is not very different from that of employers in the Western industrial countries; but, their reactions to industrial disputes present a peculiar aspect and require special attention. It is not unusual in Japan for employers to pay wages to strikers during the period of striking; and almost in every case, discharged workers, even though their dismissal was a cause of, or the result of, a

strike, receive money from employers in the form of "*shitsugyo teate*" (unemployment compensation). Most interesting is it that strike expenses are often paid by the employer, usually in a lump sum.

These seemingly benevolent actions of employers are, undoubtedly usually the result of the employer's calculation, that he will forestall more far-reaching demands by granting immediate benefits to the workers; but, such actions also reflect the employer's viewpoint on labor disputes. The employer views industrial trouble as the result of an incitement of the mass of the working people by a few radical leaders, and thinks the responsibility for the dispute lies not with the employees but with the leaders. The wage payment to strikers is, therefore, a benevolent action of the employer, aiming at the relief of the innocent workers and their families from possible suffering caused by the strike.

WAGE PAYMENT TO STRIKERS

As the following examples¹ will illustrate, there is no uniformity in the amount of wages paid to strikers. It depends upon the discretion of the employer; the strength of the workers; and the nature of the strike itself.

1. In the strike of the Kawasaki Plant of the Fuji Spinning Mill in November, 1925, strikers received one-third of the daily wage.
2. In the strike of the Kawasaki Plant of the Meiji Confectionery (March, 1926), the employer paid fifty per cent of the daily wages to strikers.
3. In the Ishikawajima Dock Yard Strike (September, 1926) the strikers received fifty per cent of the daily wage. Workers who were guilty only of malingering received full wages.

¹ *Shakai Seisaku Jiho*, no. 82, July, 1927, pp. 81-82. Y. Morita, "Freedom of Combination and Strike."

4. In the strike of the Daido Electric Steel Manufacturing Company, Nagoya (February, 1927), full wages for eight hours were paid.
5. In the strike of Keihin Electric Tram Car Company (February, 1927), one-half of the daily wage was paid.

PAYMENT OF STRIKE EXPENSES BY THE EMPLOYER

The custom of contributing a lump sum of money by the employer to strikers to cover strike expenses is extensively practiced. In some cases, the money is given to workers in the name of strike expenses, and in other cases, no precise purpose is attached. The money thus contributed sometimes includes unemployment relief compensation for discharged workers.¹ It is a usual custom to pay a special unemployment relief compensation besides a contribution of strike expenses. The following examples will illustrate the employer's practice of paying strike expenses :

1. The Tokio Hosiery Manufacturing Company, Tokio. January, 1927. Contributed 200 yen to strikers.
2. Toa Kogyo Goshi Kaisha. January, 1927. Contributed 50 yen under the name of strike expenses.
3. Umemoto Glass Manufacturing Company, Tokio. January, 1927. Contributed 40 yen as strike expenses.
4. Ozawa Optical Glass Manufacturing Company, Chiba Prefecture. February, 1927. Strikers received 200 yen including strike expenses and other items.
5. Ito Moulding Company, Saitama Prefecture. February, 1927. Employers contributed 50 yen for strike expenses.

¹ In the case of the stewards' strike of the Nippon Yusen Steamship Company (during March 18 and May 5, 1927) the company contributed 40,000 yen to strikers with the understanding that the unemployment relief compensation would not be granted to discharged workers. It is said that 30,000 yen were distributed among seventy-two discharged workers, and the remaining 10,000 yen were utilized for strike expenses. Cf. *Shakai Seisaku Jiho*, no. 82, July, 1927, pp. 77-78.

6. Aichi Orimono Kaisha (Weaving Company), Aichi Prefecture. February, 1927. A lump sum of money was contributed to strikers. (The amount is not known).
7. Kishiwada Cotton Spinning Company, Sakai Plant. February, 1927. The employer contributed 100 yen without specifying any purpose, besides which unemployment relief compensation to discharged workers and traveling expenses of the discharged workers were paid.¹
8. Keihin Electric Tram Car Company, Kanagawa Prefecture. February, 1927. A lump sum was contributed by the employer to discharged workers in addition to unemployment relief compensation.
9. Mikasa Wire and Nail Manufacturing Company, Nara Prefecture. March, 1927. The directors of the company contributed 50 yen to strikers with the explanation that the company was not responsible for paying strike

¹ The practice of paying traveling expenses (from the factory to the home) to the employee is often found in the cotton industry or the raw silk reeling industry where a large percent of workers are women and young girls. According to the report of Mr. Sanae Katayama (*cf. Shakai Seisaku Jiho*, no. 82, July, 1927, "Labor Conditions in the Cotton Spinning Industry as Revealed in the Employment Guides" by S. Katayama), of 105 factories reporting, 95 factories provided some regulations for the return traveling expenses of the employees.

<i>Conditions for the payment of travelling expenses</i>	<i>Number of factories reporting</i>
Workers going home to recover health from injury or sickness	36
Workers whose employment term had expired	24
Workers discharged due to interest of employer	40
Miscellaneous	5
Total	105

Note. There is a discrepancy between the number of reporting factories when stated in gross total and when it is classified. This is due to the fact that some factories reported two or more different conditions under which they pay travelling expenses.

expenses; but, the money was given to show their friendship and sympathy with the workers.

10. Nippon Yusen Steamship Company, May 1927. The Company contributed 40,000 yen to strikers, but no money was given in the name of unemployment relief compensation.

EMPLOYERS' CONTRIBUTION IN AID OF DISCHARGED WORKERS

In the last few years, the workers' demand for the establishment of regulations relative to employers contributing something in aid of discharged workers has become an important factor entering into labor disputes as has been pointed out in Chapter X. There were, in 1926, 1,223 labor disputes, and eighteen per cent of them were caused, in part or in whole, by the demand for the payment of money for unemployment relief, or the establishment of such a system. This is the second largest item of all the causes of labor disputes, being exceeded only by the wage question.

The revised Enforcement Act of the Factory Act (Article 27, Paragraph 2) provides that in case the employee is discharged for business reasons, the employer must warn the employee two weeks prior to the dismissal. Failing this, the employer must pay to discharged workers their daily wages for two weeks.

The custom of employers contributing a certain amount of money to discharged workers is extensively practiced in Japan, and it is applied in almost every case irrespective of the cause of dismissal. Workers discharged due to their being leaders of a strike or their participating in it also receive such money, sometimes under the name of unemployment relief compensation, and sometimes without any purpose being specified. The amount of the contribution varies much, but usually daily wages for two weeks are given. Sometimes, it is contributed in a lump sum such as thirty yen or fifty yen.

WELFARE WORK

There are a great many benevolent institutions provided by employers for their workers. They may be classified into seven types as follows:¹

1. *Living places.* Living places, such as factory dormitories, subsidy for rentals and lighting expenses.
2. *Food.* Free supply of meals and part contribution to the cost of food.
3. *Sales of factory products at reduced prices.* Establishment of factory shops where the daily necessities of workers are obtainable at reduced prices. The sale of factory products at a reduced price. Establishment of cooperative stores.
4. *Sanitation.* Free medical advice, free medical attendance, free medicine, and the establishment of a factory hospital or emergency relief bureau, free baths, part contribution to the cost of hair dressing.
5. *Amusement and cultural opportunities.* Factory field day, excursions, free tickets to theatres and moving pictures, accommodations for chess, billiards, tennis courts, and celebration of festivals, parties; free instruction in flower arrangement, tea ceremony, sewing, etc.
6. *Education.* Factory elementary school²; higher education of promising workers at technical school; lectures, and the publishing of house organs.

¹ Bureau of Social Affairs, Osaka Municipal Office, "*Kojyo Rodo Koyo Kankei*" (Employment Relationships of Factory Workers), 1923, pp. 239-240.

² Factory elementary schools are provided mostly in the textile industry in which a large number of child workers are employed. The factory elementary school is not to be regarded as a philanthropic act of the employer, but rather an outcome of necessity. According to the Japanese educational system, all children are compelled to finish a six-year course of elementary school education. Accordingly, the Administration Act of the Factory Act (Article 26) compels the employer to provide necessary equipment for the education of those child workers who have not completed the required education.

7. *Bonuses.* Employers' contribution to various beneficiary funds, offer of prizes, part payment of workers' insurance premiums, part payment of expenses incurred by nursing of small children, special bonuses in spring and in autumn, free supply of ice during the summer season, free transportation of workers to their homes after the term of employment expires.

As will be seen in the table below the largest percent of beneficent work was concentrated in medical treatment and amusements.

TABLE XXXVI

BENEVOLENT WORK PROVIDED BY 156 FACTORIES IN OSAKA, 1922 ¹

<i>Kinds of Work</i>	<i>Industries</i>						<i>Total</i>
	<i>Textile</i>	<i>Machine & Tools</i>	<i>Chemical</i>	<i>Food & Drinks</i>	<i>Gas & Electricity</i>	<i>Miscellaneous</i>	
Number of factories reporting..	38	47	35	7	10	20	156
Dormitory	35	2	3	..	2	1	43
Food	8	1	2	..	2	..	13
Sales at reduced prices.....	20	4	1	3	1	1	30
Sanitation	56	27	38	9	17	13	160
Amusements	46	28	19	9	7	20	129
Education	19	4	6	3	..	2	34
Bonuses	30	31	12	4	4	4	85
Total	214	97	81	28	33	41	494

EMPLOYERS' CONTRIBUTION TO WORKERS' MUTUAL
AID ASSOCIATION

A type of employers' beneficent contribution characterized as employers' cooperation with the Workers' Mutual Aid Association is worth mentioning. This is an association of workers for mutual aid in case of sickness, injury, death, maternity, and pensions. This is financed by a membership fee coming from workers and special contributions of employers.

¹ Bureau of Social Affairs, Osaka Municipal Office, "*Kojyo Rodo Koyo Kankei*," p. 240.

There are many varieties in the form of organization, membership fees, and the type of work. In many cases the association is formed within a factory under the protection of the employer. Membership fees vary from below five sen to ten, fifteen or twenty sen per month; or in some cases, fees are paid in at the rate of two one-thousandths, one-hundredths, or two-hundredths of the monthly wage of workers. The employer contributes, although not in every case, a certain amount to the fund. It may be an amount equal to the worker's contribution, or it may be a definite amount such as ten or twenty yen per month. Of one hundred and fifty-six factories investigated by the Bureau of Social Affairs, Osaka City, in 1923, seventy-eight factories have Workers' Mutual Aid Associations.

An example of the work carried out by the Workers' Mutual Aid Association is cited below. The monthly contribution of members to this association was one-half of the daily wage; salaried men, two per cent of the monthly salary; and the employer's contribution was over one-half of the total contribution of the members.¹

1. Free medical advice to every member.—No member is allowed to reject medical examination.
2. For injury and sickness due directly to work.—Relief fund is awarded equal to twenty times and upward of the employee's monthly contribution. The amount of award varies according to the number of years in employment. For injury and sickness not directly caused by attending to work, eight-tenths of the monthly contribution is awarded per day from the sixth day after the stopping of work.
3. For maternity: After being a member of the association over one year, a woman is entitled to eight-tenths of the total contribution per day for thirty days before, and twenty days after child-birth.

¹ Bureau of Social Affairs, Osaka Municipal Office, *op. cit.*, pp. 294-295.

4. For accident: In case of accident the member is awarded less than eighty times the monthly contribution.
5. Special benefit: When a member is segregated due to contact with contagious disease, he is awarded eight-tenths of the monthly contribution per day.
6. Military service: When a member is called for temporary service, he is awarded an amount equal to the monthly contribution per day.
7. Death, injury, and sickness of members of the family: Five to twenty yen are awarded in case a member of the family becomes sick or is injured, and five to thirty yen are awarded in case of death.
8. Pension: After being a member over five years, forty times and upward of the monthly contribution will be awarded to members who retire from work on account of old age, sickness, etc. The amount of the contribution varies according to the length of employment.
9. Withdrawal of membership: Eight-tenths or the whole amount of the contribution will be returned in case of withdrawal from membership.
10. Loan: After being a member over three years, a loan up to thirty times the monthly contribution is granted with interest at 7.3 per cent per annum.

Much of this work resembles health insurance, and it may be expected that there will take place a considerable change in types of work after the State Health Insurance is put into operation.¹

BACKGROUND OF BENEVOLENT ACTIONS OF EMPLOYERS

The majority of capitalists found in Japan at present are men who have grown up amid the influence of homes and society imbued with feudal traditions. In the feudal period, the lords and *samurai* were in such a relationship that lords would give assurance of supplying livelihood to and protec-

¹ Cf. *infra*, ch. xiii.

tion for the *samurai* and his family. The *samurai* in return served the lords whole-heartedly, even at the cost of their lives. Examples of self-sacrifice are abundant in Japan, and popular literature is filled with tales of noble deeds. This virtue, so highly regarded among the *samurai* class, was also an accepted virtue among the agricultural, the commercial, and the artisan classes, and deeply permeates the people, so that it still influences the relationship between the employer and the employee. Furthermore, capitalists in the present age are men who, instead of inheriting property from their parents, have distinguished themselves through hard toil and struggle. The men who have worked and have been placed in the position of employees in the early *Meiji* era (the period following feudalism) are thoroughly bred in the paternalistic relationship between the master and the servant, and through their experiences, demand paternalism as a panacea for the ills of industrial relationship.

WORKERS' ATTITUDE TOWARD PATERNALISM

The practice of paternalism is gradually dying out on account of the growth of the corporate form of enterprise and large-size factory systems, and philanthropic welfare work is regarded by the laboring class as a dream of the past. They flatly refuse to cooperate with employers on the basis of benevolent actions between master and servant. Instead, they demand equality in industrial relationship and call the benevolent actions of the employer "wolf in a lamb's skin". The main reasons for workers' attacking the system of paternalism are:

1. Employers who advocate paternalism in industrial relation disdain the labor movement.
2. Benevolent actions of employers prevent the spread among workers of the spirit of "contract" in industrial relationship. Money spent for welfare work is a part of un-

divided wages. It deprives the working class of the spirit of independence.

3. The system of bonuses, be it profit sharing or a lump sum bonus given out to workers once or twice a year, is a deferred payment of wages. Because of the instability of industry in Japan, workers are exposed to the danger of being deprived by the employer of this deferred payment of wages when depression sets in or business does not yield the expected profit.

The evil side of applying paternalism in industrial relationship will be inferred from the facts shown in the employment contract.

The Bureau of Social Affairs of the city of Osaka investigated the shop rules of eighty-five factories in 1923.¹ There were as many as fifty factories which mentioned no term of employment. Thirteen factories had nothing definite, and only twenty-two factories provided contract forms containing some terms of employment. The wage is the most important item but nothing was definitely mentioned. The following are typical examples of wage contracts prior to the promulgation of the Regulations of Recruiting Workers² and Regulations of Employment and Working Conditions:³

1. I shall accept wage rates decided by you (the employer). . . .
2. No opposition shall be brought against the employer in case of wage reduction. . . .

In regard to discharge, sixty-five out of the eighty-five factories investigated mentioned the following conditions under which employment would be discontinued: a. improper

¹ Bureau of Social Affairs, Osaka Municipal Office, *op. cit.*, pp. 65-75.

² Department Decree, no. 36, Department of Home Affairs, December 29, 1924. Cf. Article 3.

³ The Administration Act of The Factory Act, Article 27, Paragraph 4.

conduct; b. breach of contract by the employee; c. immoral or unrighteous acts; d. at the discretion of the employer. These conditions seem much improved at present. According to the report of Mr. Sanae Katayama,⁴ of the one hundred and five factories engaged in the cotton-spinning industry investigated, only five factories failed to provide conditions upon which employment may be terminated. Twenty-five factories mentioned conditions upon which the employee can terminate employment, while six factories mentioned conditions for the employer only. There were sixty-five factories which mentioned conditions of terminating employment by both sides, the employer and the employee.

Conditions terminating an employment contract by the employee in the cotton-spinning industry are:

1. Unavoidable circumstances	13	factories
2. Unavoidable circumstances implying marriage	16	"
3. Unavoidable circumstances implying family cause	6	"
4. Unavoidable circumstances implying sickness ..	16	"
5. Unavoidable circumstances implying military service	1	"
6. Unavoidable circumstances implying other rea- sons	16	"

Conditions terminating an employment contract by the employer:

1. Due to business reasons	51	factories
2. Disabled on account of sickness, injury and old age	15	"
3. Absence from the factory in excess of a certain prefixed period	30	"
4. Discharged for punishment	33	"
5. The age limitation (old age) of the employee ..	4	"

⁴ *Shakai Seisaku Jiho*, no. 82, July, 1927, "*Shugyo Annaiyori Mitaru Boseki Jijyo Gaiyo*," pp. 139-141.

One of the written oaths ¹ used in a factory belonging to the textile industry contained the following items, which may be considered a typical example in the textile industry before 1924:

I (the employee) swear that I shall observe the following terms of employment during my service in your (the employer's) company:

1. Term of contract. . . .
2. Place of employment. . . .
3. I shall obey shop rules as to hours of work and wages. If I continue working after the term of employment expires, the new term of contract will be for the following year.
4. You may discharge me at any time at your convenience, or in case of improper conduct on my part.
5. If I wish to terminate employment, I shall apply in writing four weeks prior to the cessation of working.
6. My certifier shall be responsible on my behalf and shall not cause any inconvenience or damage to your company.
7. In case employment continues after the term of employment expires, this contract form will be binding.

Another example—two sugar-refining companies' employment contracts ² (investigated in 1925) in part read as follows:

- A. 1. One-twentieth of the monthly wage shall be deposited with the employer. The fund thus created shall not be withdrawn until the term of employment expires, or except at the stipulation of the employer.
2. In case of discharge due to improper conduct on my part, I promise not to oppose the confiscation of the said reserve fund by the employer for compensation.

¹ Bureau of Social Affairs, Osaka Municipal Office, *op. cit.*, p. 78.

² *Shakai Seisaku Jiho*, no. 60, September, 1925, p. 207, "Conditions of Workers in the Sugar Industry," by C. Hirose.

- B. 1. If I am discharged on the ground of breaking shop rules, you may confiscate all the reserve fund accumulated during the term of employment.
2. If I do no work for fifteen consecutive days without notifying you, you may confiscate all the reserve fund and discharge me.

The employment contracts above referred to may not be representative of employment conditions in all industries. The employment contract of the sugar-refining company seems especially selected by the investigator on account of its unfavorable nature. Furthermore, it is questionable whether the employer intended to adhere to the written contract. From the Japanese point of view, and practical observation of Japanese behavior, it seems rather as if it was the employer's warning to enforce discipline among employees rather than his intention to apply them as the words stand.

Terms of employment are being constantly revised and improved due to the pressure brought about by organized labor and the achievement of labor legislation, such as Regulations for Recruiting Workers and Regulations for Employment Contract. The examples like those cited above are fast disappearing, and within a few years, employment conditions may be very much improved. The examples, however, serve to illustrate the evil side of industrial relations existing in spite of the extensively practiced benevolence of the employer.

EMPLOYERS' MOVEMENT AGAINST THE WORKING CLASS

In the face of the adverse situation recently developed through the organization of labor and labor legislation, progressive employers are coming to realize that they are facing a new situation, and must steer a new course rather than rely upon the panacea of paternalism in industrial re-

lations. A new course opened for them is the formation of an employers' alliance (1) to combat the encroaching power of labor, (2) to fight against labor legislation.

EMPLOYERS' ASSOCIATIONS

The activity of the employers' associations in Japan is not yet so strong as in the Western countries. There is no federation of employers' associations on a national scale, primarily designed to fight labor. In 1925 and 1926, Nippon Kogyo Club (Japan Industrial Club), Dai Nippon Boseki Rengokai (Japan Cotton Spinners Association) and the Chambers of Commerce in various parts of Japan were very active in seeking modifications of the Act Concerning Conciliation of Labor Disputes and the Trade Union Act Bill.¹

By the end of 1925, there were eight important national employers' associations and four local employers' associations.²

The work of these associations varies. Many of them are organized primarily to promote business interests, but they have the power of shifting to labor problems. So far as the activities of these organizations in the labor field are concerned, they may be classified into four types, *viz.*, 1. investigations, proposals and answers relating to labor conditions; 2. the prevention of accidents in factories, and the instalment of sanitary equipment to promote the health of workers; 3. to foster welfare work; and 4. miscellaneous work.

The formation of the National Federation of Employers' Associations was proposed in connection with the conference,

¹ Cf. *infra*, ch. xiii.

² *Shakai Seisaku Jiho*, nos. 58, 59. "*Nihonni Okeru Shiyosha Dantaino Gaijyo*" (The Present Condition of Employers' Association in Japan) by Yoshio Morita.

NATIONAL EMPLOYERS' ASSOCIATIONS

<i>Name of the Association</i>	<i>Approximate Number of Members</i>
<i>Nippon Kogyo Club</i> (Japan Industrial Association)	Unknown
<i>Dai Nippon Boseki Rengo Kai</i> (Japan Cotton Spinners' Association)	50
<i>Nippon Yomo Kogyo Kai</i> (Japan Association Woolen Industries)	Unknown
<i>Zosen Konwakai</i> (Ship Builders' Association)	14
<i>Nippon Senshu Kyokai</i> (Japan Ship Owners' Association)	Unknown
<i>Denki Kyokai</i> (Association of Electric and Power Companies)	Unknown
<i>Kozan Konwakai</i> (Mine Owners' Association)	31
<i>Sehitan Kogyo Rengokai</i> (Federation of Coal Mine Owners' Association)	Unknown

LOCAL EMPLOYERS' ASSOCIATIONS

<i>Osaka Kogyo Kai</i> (Osaka Industrial Association)	500
<i>Kojyo Konwakai</i> (Industrial Councils) established in each Prefecture ... Approximately	140
Chambers of Commerce	65
<i>Sangyo Fukuri Kyokai</i>	Unknown

which was held in Osaka, September 28, 1926, to launch a movement against the proposed regulations of labor conditions in factories which were drafted by the Bureau of Social Affairs.

The Administrative Regulations of the Amendment Act of the Factory Act provides in Article Twenty-Seven that any factory where more than fifty workers are employed shall prepare regulations of working conditions for the review of the employee, and such regulations shall be presented to the competent authority for approval. The Bureau of Social Affairs has published a regulation as a model, with the hope of assisting employers, who are requested to formulate such regulations. The Bureau's action was interpreted by the employers as unreasonable and un-

timely. The main objections found to the draft bill were: 1. any alteration of regulations of the working conditions shall be approved by the shop committee; and, 2. seventy per cent of the daily wage shall be paid to workers who were "laid off" in the interest of the employer. It was also charged that in some cases the Bill, in spite of its being designed as only a model, was taken by the local police as in force, and employers were forced to adopt regulations published by the Bureau.

A joint conference of the Chambers of Commerce of six metropolitan cities and Industrial Associations was held in 1926 under the auspices of the Osaka Chamber of Commerce and *Osaka Kogyo Kai*. Sixteen associations were represented, and it was decided to draft a model bill, and to offer the same to all employers. It was also voted to ask the government authorities to use more caution in the future.

On the occasion of this joint conference, the Federation of the Industrial Associations was proposed with the following objects:

1. To encourage legislation and welfare work which is considered helpful for the development of industries. Any legislation and welfare work injurious to industrial development shall be rejected and discouraged.
2. The solution of labor problems on the basis of actual industrial conditions in each industry as well as in the country as a whole.
3. To establish effective tariff policies.

The proposed Federation of National Employers' Associations did not materialize at that time; but, employers gained a vision of the necessity of forming such an organization. The conference demonstrated to the public the possibility of organizing a strong federation of the employers' associations as a rival organization to labor unions.

When the national convention of Kojyo Konwakai ¹ (literally, conference of factory owners) was held on April 18 and 19, 1926, the organization of the National Federation of Kojyo Konwakai was proposed. The main object of the proposal was said to be an attempt to solve labor problems on the basis of cooperation between labor and capital. This was another attempt toward the organization of the federation of employers' associations.

In view of the fact that strong federations and associations of employers on a national scale are appearing, we may expect a new development in industrial relations, and the necessity for stronger labor unions. Their unity may become imperative to set up an equalizing force against the employer.

¹ Kojyo Konwakai was first organized in Tokio in 1919 among factory owners employing more than 30 persons. It was organized under the auspices of the Tokio Fu, with the purpose of studying the labor problem. This system was later developed in other prefectures. The present form of the organization is an association of factory owners placed under the control of the Factory Act, and serves as a conciliatory organ between labor and capital. It takes up legislative questions, factory administration, working conditions, factory morals, and welfare work among employees. Cf. *Shakai Seisaku Jiho*, no. 63, December, 1925, pp. 1-8.

CHAPTER XIII

THE GOVERNMENT'S ATTITUDE TOWARD LABOR

In glancing at the history of labor and labor legislation in Japan, one cannot fail to recognize that the government's attitude toward the laboring class has undergone a phenomenal change from the hostility of the pre-war period to the tolerance and sympathy of the post-war period. There was no adequate labor legislation before 1921, excepting the Factory Act and Mining Act. On the contrary, the Police Peace Regulation, which was promulgated in 1900, was applied so rigorously that it virtually prohibited strikes by suppressing workers so they could not carry out strikes successfully.

After the close of the War, the government's attitude appears extremely different from that of the pre-war period. Instead of blindly suppressing the activities of the laboring class, it shows tolerance of and sympathy with their aspirations.

Trade unions are not associations legally recognized, and there was hostility against them before 1924; they became, however, institutions semi-officially recognized,¹ functioning as if they were legally recognized organizations. Strikes are not legalized, but the tolerant attitude of the government toward industrial disputes is shown in the principle embodied in the Act respecting Conciliation in Industrial Disputes. It prohibits a third person from inducing or inciting the employer, or the employee to lock-outs or strikes, but permits both the employer and the employee to exercise these acts;

¹*Cf. supra*, ch. xi.

provided, they are directly connected with the disputes. When the Trade Union Act Bill was introduced at the 52nd Session of the Imperial Diet (1926-1927) Premier Wakatsuki, in answering the question as to the legal status of a strike, said that strikes were not legally recognized, but the government did not think it necessary to suppress them nor are they matters which should be suppressed.¹ The tolerant and sympathetic attitude of the government toward labor is more vividly seen in modern progressive labor legislation which is well summarized by Dr. Iwao Ayusawa in his book, *Industrial Conditions and Labor Legislation in Japan*.²

In 1921, to begin with, the Employment Exchange Act was promulgated, followed during the same year by the Prohibition of White Phosphorus Matches Act. The Health Insurance Act was promulgated in the spring of 1922 (a part of which was put into operation in 1926 and in full operation in 1927), shortly after the promulgation of the Seamen's Employment Exchange Act, 1922. In March, 1923, three important Acts were promulgated simultaneously, *viz.*, the Factory Act Amendment Act, the Minimum Age of Industrial Workers Act, and Seamen's Minimum Age and Health Certificates Act (enacted since July, 1926). In 1924, the Tenancy Disputes Arbitration Act was issued. . . . Last but by no means least, may be mentioned the Home Department Ordinance for the control of the recruiting of workers, which has been in operation since April, 1925, and the Imperial Ordinance for Unemployment Census, which provided for an intensive national unemployment census in October, 1925.

The year 1926 was an eventful year in the history of labor legislation in Japan just as 1916 was a memorable year for the enactment of the first Factory Act and the

¹ *Kanpo*, February 10, 1927, p. 365, also *Shakaiseisaku Jiho*, no. 82, July, 1927, pp. 71-72.

² Iwao F. Ayusawa, *op. cit.*, p. 17.

Mining Act. In 1926, the Amended Act of the Public Safety Police Regulations (*Chian Keisatsuho*), Act Concerning the Conciliation of Industrial Disputes (*Rodosogi Choteiho*), Administration Act of the Amended Factory Act (*Kojyoho Sekorei*), and several other enforcement acts were put into operation. In the same year, the Trade Union Act Bill was introduced into the Diet, but it did not pass. The Regulations for Dormitories Attached to Factories (*Kojyo Fuzoku Kishukusha Kisoku*) was enacted in April, 1927, by the Home Department Ordinance.¹

Such a change of governmental policy in regard to industrial relations is the result of a number of influences. Insurgent liberalism in the post-war period and the growth of the labor movement in Japan have certainly exerted a profound influence on the public, arousing their sympathy for the working class. Japan's participation in the International Labor Conferences has been a strong external influence in changing the government's attitude toward labor. Backed by public support, and influenced by pressure coming from international relations, and by the absence of strong opposition coming from the employing class, the government was able to enact labor legislation favorable to the working class. We cannot, however, ignore the industrial conditions and the quality of administrative officials in accounting for the progressive labor legislation, and the sympathetic attitude of the government toward the laboring class.

Since Soviet Russia's bold experiments establishing a new economic order, the influence of communism upon the proletarian class in Japan has been profound. It has greatly influenced the minds of the younger generation. The depressed economic condition persisting since 1920 caused frequent wage cuts and the dismissal of workers in every field of industry; unemployment, not only among the working class,

¹ Cf. *supra*, ch. vii.

but also among the intellectual class became a national problem. The rise of anarcho-syndicalism was a dark cloud threatening industrial peace. In the rural districts, tenant disputes increased and the agrarian movement became a national concern. These post-war economic conditions provided a hotbed in which antagonism to the existing economic order could brew, and there was danger of an outbreak of rioting, unless some means were taken to pacify the irritated minds. These are not, of course, the professed reasons for creating labor legislation, and for the sympathetic attitude taken by the government toward the working class but, undoubtedly, they served as stimuli in preparing the minds of legislators.

The effectiveness of laws and regulations depends much upon the administrative officials. Most of the younger set of government officials, having been recruited from among college and university graduates, whose minds had been filled with liberal thought during their school days, can understand industrial relations, and as they are relatively free from political influences, they can take a sympathetic attitude toward the laboring class. This has been reflected more than once in the attitude of the Bureau of Social Affairs in drafting labor legislation bills. In drafting the Labor Union Act Bill in 1925, the Bureau was severely criticized by the *Gyosei Shingi Chosakai* (Committee charged to investigate legislative matters) and the capitalists on the ground that the Bureau had taken too liberal and too sympathetic an attitude toward the laboring class. Again, in publishing proposed employment regulations of factories as a model for the use of employers, the Bureau was attacked on the alleged reason that it had ignored the interest of the employer.

It is problematical, however, whether or not such a liberal attitude of the government toward labor will continue long. Employers are now taking a stronger stand against labor by

unifying their strength into national organizations.¹ The industrial influence upon the political field has not been so strong as to control legislative bodies, but Japan is fast becoming an industrial country, and it will not be long before industrial and financial influences can control political activities. Then, the working class cannot depend upon the sagacity and the sympathetic attitude of the government's officials; but will have to fight and win by the power of the workers themselves.

IMPORTANT ACTS AND REGULATIONS CONCERNING THE WELFARE OF THE LABORING CLASS

The regulations relating to employment which are found in the Civil Code of 1896 (section 632) and the Merchant Marine Act (sections 576-589) of the Commercial Code of 1899 may be considered the first labor legislation in Japan;² but, strictly speaking, they are a part of the Commercial and Civil Codes, and it is hardly possible to call these labor legislation in the true sense of the word.

CHIAN KEISATSUHO (PUBLIC SAFETY POLICE REGULATIONS)

The first legislation which played a vital rôle in the history of the labor movement in Japan is the *Chian Keisatsuho*, enacted in 1900. Articles 17 and 30 were most unpopular. These articles practically suppressed strikes, and the growth of the labor movement was retarded by them. Articles 17 and 30 of the *Chian Keisatsuho* are as follows:

Article 17.

No violence shall be inflicted upon others, nor threat of violence made against others, nor the character of others defamed in public with the following enumerated objects

¹ Cf. *supra*, ch. xii.

² Co-edition of Rodo Sodomei and Sangyo Rodo Chosasho, *Labor Year Book of Japan*, 1925, p. 421. See also Iwao F. Ayusawa, *op. cit.*, p. 14.

in view, and no inducement nor instigation shall be offered to others with the objects in view expressed in clause 2:

1. To make others join, or prevent others from joining associations formed for the purpose of cooperation in regard to conditions and rewards of labor;
2. To make employers discharge employees or refuse applications for employment, or to make employees neglect their duties or refuse applications for employment in order to effect a lock-out or strike;
3. To compel by force others to agree in regard to conditions of labor or rewards of labor, or to inflict violence upon others, or make threats of violence against others, to compel them by force to agree in regard to the terms on which land may be rented for agricultural purposes.

Article 30.

Violation of article 17 shall be punished by imprisonment and hard labor for more than one month, but less than six months. This punishment shall be accompanied by a fine of more than three yen. The same regulation shall apply to a person who inflicts violence, defames, or makes threats against the person who refuses to join a strike or lock-out.

On account of these regulations, there were only ill-defined and sporadic attempts to form unions before 1912, and nothing worthy of the name "Movement" appeared.¹

How strongly labor desired to have these regulations repealed will be seen in the programs of all the labor unions organized after the *Yuaikai* was founded in 1912. Both radical and conservative organizations united in demanding their repeal year after year, and finally they succeeded in having them repealed at the 50th session of the Imperial Diet (1925-1926).²

¹ *Current History*, December, 1926, p. 378. "Japan's Struggling Labor Movement" by William A. Neiswanger.

² Law No. 58, promulgated on April 8, 1926.

CHIAN IJIHO (PEACE PRESERVATION ACT)

The repeal of the *Chian Keisatsuho* (Articles 17 and 30) relieved the laboring class to some extent by removing the obstacles to an effective strike, and by granting greater freedom in the formation of labor unions, but the radical and aggressive movement is still entirely prohibited by the enactment of the *Chian Ijiho* (Peace Preservation Act) which is just as effective as the Police Regulations in suppressing radical labor movements. The Act aims at the suppression of communistic and anarchistic activities in Japan. Under the provisions of the Act, the formation of, or attempts to form, and the joining of associations with knowledge of the circumstances, for the purpose of changing the National Constitution, or of condemning private ownership, shall be punished by ten years' penal servitude or imprisonment. A seven years' penalty is provided for consulting with, or inciting other persons to act for the same purpose. Inciting to riot, violence, or any other criminal act, endangering life and property, is to be punished with ten years' penal servitude or imprisonment. The penalty for the giving, or offering, or promising to give financial and other advantages, or for the receiving, demanding or promising to receive the same for the above mentioned purpose, is punishable by penal servitude or imprisonment not exceeding five years. Those who, though indictable under the provisions of the present law, surrender of their own will to competent authorities are to be granted commutation of, or immunity from, the prescribed penalties.¹

The enactment of the Peace Preservation Act is generally supposed to have been brought about as the result of an attempt by a young man to assassinate the Crown Prince in December, 1923, an act which was a great shock to the

¹ *Shakai Seisaku Jiho*, no. 55, April, 1925, p. 203

whole nation.¹ The Bill, however, had been introduced in the Diet in February, 1922, by the Takahashi Cabinet. Both laborers and socialists were very active when syndicalism was rapidly gaining popularity during 1918-1922. The number of strikes rapidly increased and workers did not hesitate to take direct action in those days. On the other hand, the high cost of living, persisting even after the post-war crisis, stirred up popular thought, and it was feared that a second rice riot might occur.

Although the Peace Preservation Act, which had been introduced in 1922, was killed by the Upper House, the intention of the government to introduce it again did not die. The passage of manhood suffrage which would extend enfranchisement from 3,500,000 to approximately 13,000,000 was sure to come about within a year or two. The signing of a commercial treaty with Soviet Russia was also contemplated in those days. This would inevitably have brought Japan into closer contact with Soviet Russia and exposed Japan to the principle of communism. Furthermore, the government had foreseen the inevitability of conceding labor's demand to abolish articles 17 and 30 of the Police Peace Regulations. Confronted with these circumstances and aided by the expectation of future developments, the Kato Cabinet introduced the Peace Preservation Bill² at the 49th Session of the Diet (1924-1925). It was passed in April, 1925.³

It is generally believed that as long as this Peace Preservation Act exists, the Left Wing radicals cannot put their pro-

¹ A young man named Daisuke Namba attempted in vain at Tokio to assassinate Crown Prince Hirohito, the present Emperor of Japan.

² *Japan Year Book*, 1926, p. 236 and Department of Foreign Affairs, Series No. 2, Reference on Domestic Problems, "Problems of Peace Preservation Law."

³ Now No. 46, promulgated on April 21, 1926.

gram into action. Accordingly, the act is condemned as most obnoxious, and workers have been fighting for the repeal of this act ever since its passage.

LABOR LEGISLATION TO PROTECT THE WORKING CLASS

Mining Act

The Mining Act of 1905 may be listed as the first labor legislation deliberately enacted to protect miners. The enforcement of the Act became complete when the Regulations for Relief of Miners, and the Mining Police Regulations were issued in 1926.

Factory Act

The Factory Act was first contemplated by the government in 1882, but it took thirty years for it to become a law.¹ It is of interest to notice that the Factory Act was first initiated by the government when there was no public demand for the protection of workers. There were no strong labor organizations at that time and workers remained silent; but employers brought pressure upon the government, to which the government yielded to modify the proposed Act in favor of the employers. As a result, the Act applied only to factories employing more than fifteen workers and using machine power. The articles originally designed as a protection to workers were nullified by inserting exemption clauses in favor of the employers. In 1923, an Amendment Bill making a number of improvements was passed. Some important parts of the Amended Factory Act and Ordinance amending the Administration of the Factory Act are enumerated below:

1. The application of the Factory Act: The Factory Act applies to all factories employing more than ten workers

¹ Kiyoshi, Matsuzawa, *Kojyoho* (The Factory Act), 1908, p. 38.

- and factories in which the work is of a dangerous character or is considered injurious to the health. (Art. 1).
2. Minimum Age of Employment: The minimum age of employment of juvenile workers was raised from twelve to fourteen years. But children over twelve years of age and children who have completed six years' common school education are exempt from the application of this Act. (Act No. 34. The Minimum Age for Industrial Employment, Art. 2.)
 3. Working Hours: The hours of work for young persons under sixteen years of age and for women were decreased from twelve hours to eleven hours a day. The application of this article was postponed until August 31, 1931 for the industries of silk reeling, cotton spinning and weaving, and the manufacturing of silk fabrics for export purposes as specified by a competent authority of the prefectural government. (Art. 3 of the Amended Factory Act and Art. 3 of Amended Ordinance for the Administration of the Factory Act.)
 4. Night Work: Juvenile workers under sixteen years of age and women are prohibited from night work between ten P. M. and five A. M. Night work can be extended to eleven P. M. when permission is granted by a competent authority. In case operatives are divided into two or more sets and employed alternately, night work can be carried on until June 30, 1929. (Arts. 4 & 6.)
 5. Women and Maternity: Employment is prohibited for four weeks before maternity if the rest is requested by the women, and six weeks after maternity. After confinement, women may, with the approval of a medical practitioner, be made to resume work in four weeks. (Art. 12.)
 6. Workmen's Compensation: Workmen injured or killed by accident, or becoming ill, as a result of their duties, are entitled to compensation by employers at different rates according to the nature of the injury or the illness. (Art. 15, and Ordinance amending Administration of the Factory Act, Articles 4-9.)

Compensation for injury, illness, and death is as follows:

Injury or sickness.

- (a) If a worker is injured or becomes ill in the course of his or her work, the employer is responsible for providing medical attendance for the worker or bearing the expenses necessary for medical attendance. (Article 5, Ordinance amending Administration of the Factory Act.)
- (b) Absence allowance amounting to at least sixty per cent¹ of the daily wage for the maximum of 180 days will be granted to a worker who does not receive wages owing to his or her absence from work for medical treatment. After the 180th day,² the employer may reduce the amount of absence allowance to forty per cent or more of the daily wage.³ (Article 6, Ordinance amending Administration of the Factory Act.)
- (c) When a worker is entitled to receive medical attendance or the cost of the same in virtue of the provisions of the Health Insurance Act, the employer is exempted from compensating such relief for the period covered by Health Insurance. The same rule applies to the absence allowance when a worker is entitled to receive sick or accident benefit in accordance with the provision of the Health Insurance Act (Paragraph 2, Article 13, Ordinance amending Administration of the Factory Act.)

Maximum Days for Compensation.

If a worker who receives medical attendance or the cost of the same fails to recover from the injury or sickness in three years from the date of his or her first medical treatment, the employer may discontinue the relief-

¹ Formerly one-half.

² Formerly three months.

³ Formerly one-third.

medical attendance or the cost of the same—after paying a final allowance equivalent to the worker's wages for at least 540 days.¹ When absence allowances are claimed one year or more after the dismissal of the worker, the employer is released from paying such allowance. (Articles 14 and 15, Ordinance amending Administration of the Factory Act.)

Disablement Allowance.

If the injury or sickness has disabled the worker, such person is entitled to disablement allowance under the conditions specified below:

- (a) For permanent disablement: not less than 540 days' wages.²
- (b) Permanently unemployable: not less than 360 days' wages.³
- (c) For inability to resume previous work; permanent impairment of health; or in case of women, facial disfigurement: not less than 180 days' wages.⁴
- (d) Permanent though slight disfigurement without damaging working capacity: not less than 40 days' wages.⁵

Law of Negligence.

The employer is exempted from responsibility for absence allowance and disablement allowance, when a worker is injured or falls ill as the result of a serious fault on his or her part and the prefectural governor recognizes this fact. The original Ordinance for the Administration of the Factory Act exempted employers from all forms of compensation if employers could prove

¹ Formerly 170 days.

² Formerly 170 days.

³ Formerly 150 days.

⁴ Formerly 100 days.

⁵ Formerly 30 days.

that the accident or the illness was the result of a serious fault on the part of the worker.

Death.

In case of the death of a worker, the relatives of the deceased worker, or any other person, who was maintained by the earnings of the worker at the time of his or her death, is entitled to a survivor's allowance equal to the worker's wage for at least 360 days,¹ and also a funeral allowance of not less than 20 days' wages (20 yen, in case the amount of the allowance as above is found to be less than 20 yen)² (Articles 8 to 12 Ordinance amending the Administration of the Factory Act).

7. Travelling Expenses of Workers from Factory to Home: When a juvenile worker or a female worker is discharged at the employer's convenience, or when a worker who is receiving medical attendance, sick or accident allowance, is discharged and is to return home within fifteen days after his or her dismissal, employer bears the necessary travelling expenses of the worker. (Paragraph 2, Article 27, Ordinance amending the Administration of the Factory Act.)
8. Notice of Dismissal: When the employer wishes to terminate an employment contract concluded with a worker, the employer is required to give the worker such notice at least fifteen days before the actual date of dismissal. Failing this, he is responsible for paying the wages for at least fourteen days. (Paragraph 2, Article 27, Ordinance amending the Administration of the Factory Act.)
9. Rules of Employment: The occupier of the factory employing more than fifty workers is required to draw up rules of employment and must report the same to Prefectural government. (Paragraph 4, Article 27, Ordinance amending the Administration of the Factory Act.)

¹ Formerly 170 days.

² Formerly 10 yen.

10. Penalty: The employer or his agent breaking regulations provided in the Factory Act or any decree based on it, is liable to a fine of not more than 1,000 yen. Any person who, without reasonable cause, refuses or obstructs inspection by a competent official, or fails to answer his questions, or refuses the medical examination of workers and apprentices is liable to a fine of not more than 500 yen (Article 20 and 21, Amended Factory Act.)

ACT CONCERNING THE CONCILIATION OF LABOR DISPUTES¹

This Act which was enforced July 1, 1926, and applies to industries in the public utility field, such as, railway, tramway and sea transportation, post, telegraph, etc., water works, and electric and gas industries. The manufacturing and repairing industries of arsenals owned by the Army and Navy Departments are also included. The application of this Act is elastic since it contains an article providing that any industry which has direct relationship to public welfare, and any industry which has been selected by Imperial Ordinance, shall come under the control of the Conciliation Act (Article 1). It is also applicable to any other industry, if both parties to a dispute apply for conciliation in accordance with this Act. In public utility industries, the Conciliation Act is applicable at the request of either one of the disputants, or at the discretion of competent authority when no application for it is made by either disputant.

A Board of Conciliation consisting of nine members must be created within seven days after the application is received. Each party shall elect three members from among its own membership within three days. The members thus elected shall appoint the remaining three from an impartial public within four days. (Article 4.) A Board of Conciliation is required to complete the work of investigation and con-

¹ Act No. 57, April 8, 1926.

ciliation within fifteen days from the day it is created. (Article 9.) However, this period may be prolonged by the unanimous consent of the members representing both the employer and employee. Since seven days are allowed for setting up the Board, the maximum number of days required for bringing about conciliation is twenty-two days.

In case the labor dispute is not solved by the Board of Conciliation, a competent authority is requested to publish the Committee's proceedings embodying the program of conciliation together with its opinions. But, when disputes are solved, and if the members of either side in the disputes unanimously oppose publication, proceedings shall not be made public. (Articles 16 and 17).

When disputes are brought for conciliation according to this Act, persons other than the employers and workers who are actually connected with the dispute and officers or clerks of the employers' or workers' organizations to which they belong are prohibited from instigating or inciting either the employers or the workers connected with the dispute, until the conclusion of the conciliation procedure, for any of the purposes enumerated below :

1. To cause the employer to close down the place of work, stop the work, terminate the employment of workers, or refuse a request for the continuation of work, in connection with the labor dispute.
2. To cause a body of workers to stop work, impede the progress of work, terminate their employment or refuse a request for their continuation in employment, in connection with the labor dispute. (Article 19.)

This Act does not prohibit a lock-out or strike by either party directly connected with the dispute, and officials and clerks of the employers' associations and labor unions can take part in strikes and lock-outs.

The Act Concerning the Conciliation of Industrial Disputes

has been criticized by the employing class as detrimental to industrial development on the ground that the Act does not include a provision to submit disputes to the Conciliation Board prior to strikes or lock-outs. They also attack it on the ground that the Conciliation Act gives no power to enforce the continuity of work. The greatest objection by the employer is, therefore, centered on Article 19,¹ and employers are unanimously desirous of having it repealed.

The workers, on the other hand, have expressed dissatisfaction on the ground that the application of the Act is made so flexible that it narrows down the field of industries in which labor can have free activity. Workers fear that it will be almost impossible to appoint an impartial third as a member of the Board.

Public opinion, however, favors the Conciliation Act. Although it is compulsory so far as its application to industries is concerned, there is no compulsion to carry out the judgment of the Board of Conciliation. On the other hand, the Act expresses the liberal attitude of the government, for it recognizes indirectly the right to strike. It also places labor unions on an equal plane with employers' associations.

The present economic condition in Japan requires continuity in industry. The speedy solution of disputes is most important for the welfare of the nation.

The Conciliation Act became effective on July 1, 1926. There were 723 disputes during the six months between July and December, 1926, but it is reported that in no case was the Conciliation Act applied.²

¹ Article 19 in part rules that when the disputing parties are notified by the competent authority that a Board of Conciliation is to be created, no employer can lock-out or break an employment contract, and no employee in any group can stop the work, or terminate the employment contract until the investigation is closed . . . etc.

² *Labor Gazette*, vol. iv, no. 1, January, 1927, pp. 18-19.

LABOR UNION ACT BILL

The most recent attempt to legalize labor unions was in 1926 when the Labor Union Act Bill was introduced at the 52nd Imperial Diet (1926-1927). The framework of the Bill was adopted from the draft presented by the Bureau of Social Affairs in 1925 which included the following main points:

1. A labor union shall consist of an organization of more than ten members who associate for the purpose of the maintenance of good, and the amelioration of bad labor conditions. (Art. 1.)
2. Should any part of the collective bargaining contract between a labor union and an employer, or employers' association be breached, the contract shall be forfeited only in that part which has been breached. (Art. 12.)
3. No employer or his agent can discharge a worker because he belongs to a labor union. No employer or his or her agent can include in the employment contract a clause indicating that an employee shall not join the labor union, or shall withdraw from membership in a labor union. (Art. 11.)

The proposed Labor Union Act Bill drafted by the Bureau of Social Affairs was interpreted by the working class as "fair," for it embodied maximum freedom for labor under the present economic and social conditions in Japan. The *Nippon Rodo Sodomei* expressed its support of the Bureau's Bill, but as soon as the Bill became publicly known, the employers were united in their opposition. They attacked it on the ground that it showed unreasonable favoritism to the laboring class. The unrestricted freedom conferred upon labor would, they held, have a detrimental effect upon Japanese industry. They also charged that the Bill was drawn on the theoretical bases prevailing in the Western countries, and in disregard of the social and economic conditions peculiar to

Japan. The most objectionable provisions in their eyes were those clauses contained in Articles 11 and 12,—the recognition of the principle of collective bargaining, and the right of workers to join labor unions. The Chambers of Commerce in various cities, the Japan Cotton Spinners' Federation, the Japan Industrial Club and the Kyocho-Kai vigorously protested and proposed amendments. The Amendments drawn up by the Japan Industrial Club, which are summarized below, represent the general sentiments of employers.

1. Object of labor unions. "The maintenance and the improvement of labor conditions" as was originally proposed by the Bureau of Social Affairs tend to create radical and militant unions. The object should, therefore, be enlarged by adding to improve and maintain labor conditions by the association of workers as in the original draft, (1) the improvement of technical skill, (2) mutual aid, (3) the development of industries.
2. Membership. The minimum number of members should be increased from ten to fifty persons.
3. Organization. The membership should be limited to one factory or a work shop. In an industry where the workers, from the nature of the industry, move from one place to another, a labor union should include the same trade or similar industry within the border of one prefecture.
4. Qualifications of membership. The meaning of "laborer" which was the only qualification for membership, according to the original bill, is too vague and leads to misunderstanding. The membership should, therefore, be limited to the Japanese male sex (if the membership is not limited to the Japanese, radical foreign elements may come in and disturb the union to the detriment of both labor and capital) over sixteen years of age, who have been employed in the same trade or industry over one year, and are still in employment.

Women and juvenile workers under sixteen years of

- age are protected workers under special legislation. They need not join the union to get protection through it.
5. A labor union should be an incorporated body. (This is designed to hold the labor union responsible for any damages arising out of labor disputes.)
 6. Article 44 of the Civil Code should be included. (Regulations concerning compensation for damages.)
 7. The purpose of a labor organization should not include a profit-making enterprise.
 8. Articles 11, 12 and 21 should be entirely omitted. A worker should have freedom either to join or to resign from a labor union. The employer should be free to employ and discharge his employees according to his own will.
 9. Collective bargaining should not be legalized, but it should be left to the free choice of the employer and the employee.

Besides these proposals for amendments the Japan Industrial Club recommended five other articles to be included in the Bill:

1. Representatives of the labor union should be limited to members only.
2. The preamble or the regulations of the labor union should include a paragraph that any decision pertaining to important problems shall be carried by a majority vote.
3. Regulations of the labor union should provide that members of the union shall be responsible to compensate, by fines, for damages caused, and they shall guarantee the contract for labor conditions between members of the union or between one union and the other.
4. Members of a labor union should have the freedom to withdraw their membership at any time.
5. The labor union can demand dues from its members, but dues collected from the members should not be used for other purposes than those enumerated in Article 1.

Quoted from Nippon Kogyo Club, *Recommendations in Regard to Labor Legislation*, September, 1925.

On account of the pressure brought upon the government by the employers the original bill, which was drawn by the Bureau of Social Affairs, was emasculated at the hands of the Administration System Inquiry Commission before it was finally introduced at the 51st Session of the Diet (1925-1926). The government bill appeared in a new form, very unfavorable to laborers. This evoked the indignation of the working class, and they united in protests against the passage of the bill. Both Tokio and Yokohama have seen great demonstrations against the proposed Labor Union Act. The chief reasons why the labor groups are opposed to the government's bill are as follows: ¹

1. Federation of unions is not to be recognized. As a result, the unions federated are deprived of the privilege to negotiate with employers when a dispute arises. The value of unions is thereby markedly reduced.
2. Unions are to be organized according to trade and industry. This provision limits the development of unions.
3. Unions are to be incorporated. As a result, the actions of unions will be hampered by red tape, and by being made financially responsible for damages caused to a third party.
4. Protection is not given to workers joining unions. Although employers cannot discharge workers on account of their being members of a labor union, no provision is made for compulsory ruling against the employers. They may escape punishment even if they should trample upon the privilege of their employees to join unions.
5. Opportunity for administrative officials to interfere with unions has been increased. The government retains the right to cancel union resolutions or by-laws if they are interpreted to be against the law or detrimental to the public interest.
6. Right to disband unions. If the government considers that any action taken by unions is likely to disturb public peace

¹ *Osaka Mainichi Shimbun*, English edition, February 11, 1926.

and order, the government has the right to order the dissolution of unions.

This bill did not pass the Diet. In the following year the government proposed it for the second time at the 52nd Session of the Diet (1926-1927). It appeared in a slightly improved form, but one by no means satisfying the laboring class. The Diet closed before it received full discussion. Consequently, trade unions are not explicitly recognized by law at present, but they are unofficially recognized through the act of electing delegates to the International Labor Conference.¹

The legalization of the labor union is very important for the future development of the labor movement, and also, as it vitally concerns the healthy development of industry, opinions expressed by employers and workers for or against the bill indicate the true sentiments and principles of each group. Employers who did not exert much opposition against labor legislation in the past seem now to be massing their power to stand against the encroachment of the laboring class, and their influence upon the government is clearly seen in the development of the Labor Union Act Bill from the one originally drafted by the Bureau of Social Affairs to the bill introduced by the government in the Diet.

STATE CONTROLLED HEALTH INSURANCE¹

It was only in April, 1922, that the first Health Insurance Act was promulgated in Japan. The Act was put into partial effect in July, 1926, and it began to be fully enforced in January, 1927.

¹ In electing labor delegates to the International Labor Conference, labor unions with a membership of not less than 1,000, may nominate one candidate for delegate and three for advisors. In voting for these candidates each union may cast one vote for each 1,000 of its members, and the government shall appoint one delegate and three advisors from among the three candidates for delegates and six for advisors who have won the largest number of votes. See *Osaka Mainichi Shimbun*, English edition, December, 1925.

THE INSURED PERSON

Every person employed in a factory or mine to which the Factory Act or the Mining Act applies, is compelled to take out health, accident, and if a woman, maternity insurance. This provision is not applied to a person employed temporarily as designated by Imperial Ordinance, or to any administrative employee whose annual remuneration exceeds 1,200 yen. In undertakings for the building trade, public works, land transportation, and the electrical industry, etc., as enumerated in Article 14, the insurance of all workers becomes compulsory only when more than one-half of the workers in any factory or industrial unit consent to take out insurance. In such a case, the sanction of the appropriate authority must be obtained before the operation of the insurance actually takes place. The insurance carried by factories and mines was estimated to apply to approximately 2,000,000 persons in 1927.

ADMINISTRATION

Health insurance is administered by Health Insurance Societies² and by the government. The owner of a factory or mine employing more than five hundred workers is obliged to set up an insurance society.³ The society thus

¹ Sources of information on State Controlled Health Insurance are: Health Insurance Act, Law No. 70, April 22, 1922; Amendment Act of the Health Insurance Act, Law No. 34, March, 1926; Administration Act of Health Insurance Act, Imperial Ordinance, No. 243, June 30, 1926; Regulations for the Administration Act of the Health Insurance, Department Ordinance, No. 36, Department of Home Affairs, July 1, 1926; *International Labor Review*, vol. xiv, December, 1926, pp. 861-67; *Shakai Seisaku Jiho*, Nos. 71, 72 and 73, "Kenkohoken Sekorei Shokai" by Shimizu; *Ibid.*, no. 82, July, 1927; *Labor Gazette*, vol. iii, May, 1926, pp. 2-6.

² By the end of January, 1927, there were 319 insurance societies with 822,094 members.

³ The Health Insurance Act, Article 31.

created is a mutual insurance society. An employer of three hundred to four hundred and ninety-nine workers, with the consent of one-half of the employees may set up an insurance society. In this case the employer must get permission from the Minister of Home Affairs before the opening of business.¹ All persons who are not members of a Health Insurance Society automatically belong to a Health Insurance Office set up by the government and placed under the control of the Bureau of Social Affairs. There were about fifty insurance offices scattered throughout Japan in 1927.¹

BENEFITS

Benefits are granted for sickness, injury, maternity and death. Health insurance covers these objects whether they arise in the course of work or for other reasons. Medical treatment for sickness and injury begins at once when need arises. If an insured person is unable to work while receiving medical treatment, he is paid a pecuniary sick or accident benefit (*Shobyo Teatekin*) equivalent to sixty per cent ³ of his daily remuneration ⁴ during such period of in-

¹ The Health Insurance Act, Article 29.

² *Ibid.*, Article 49.

³ The sick benefit or injury benefit to be granted to an insured person taken into a hospital is as follows:

- a. When the insured person has no one wholly or mainly dependent on his earning—20 per cent of the daily amount of the basic remuneration.
- b. When there are no more than two persons as described under "a"—40 per cent of the daily amount of the basic remuneration.
- c. When there are three or more persons as described under "a"—60 per cent of the daily amount of the basic remuneration.

Cf. Article 45 the Health Insurance Act and Article 79, the Administration Act of the Health Insurance Act.

⁴ The basic remuneration is fixed according to the actual daily remuneration of the insured person in accordance with the following scale:

(Footnote continued on page 266)

capacity, provided the sickness or injury was incurred through causes not connected with his work, the pecuniary benefit in such case beginning on the fourth day after he becomes unable to work.

The maximum days for medical attendance and pecuniary sick or accident benefit are set at one hundred and eighty days. If an insured person becomes sick or is injured by causes other than his work, medical attendance and pecuniary sick or accident benefit do not exceed a total of one hundred and eighty days of any calendar year.¹

The Health Insurance institution is responsible for the first one hundred and eighty days; but, after that the compensation act in the Factory Act and the Mining Act is applied.²

(Conclusion of footnote 4, page 265)

<i>Class</i>	<i>Actual Remuneration per Day</i>		<i>Basic Remuneration per Day</i>	
1st	Less than yen	.35	yen	.30
2nd	From yen	.35 to .45	"	.40
3rd	" "	.45 " .55	"	.50
4th	" "	.55 " .65	"	.60
5th	" "	.65 " .75	"	.70
6th	" "	.75 " .85	"	.80
7th	" "	.85 " 1.15	"	1.00
8th	" "	1.15 " 1.45	"	1.30
9th	" "	1.45 " 1.75	"	1.60
10th	" "	1.75 " 2.05	"	1.90
11th	" "	2.05 " 2.35	"	2.20
12th	" "	2.35 " 2.65	"	2.50
13th	" "	2.65 " 2.95	"	2.80
14th	" "	2.95 " 3.25	"	3.10
15th	" "	3.25 " 3.75	"	3.50
16th	More than yen	3.75	"	4.00

The basic remuneration will be fixed according to the actual remuneration on June 1st in each year, and remains valid from July 1st to June 30th of the following year.

Cf. Administration Act of the Health Insurance Act, Articles 3 and 4.

¹ Article 47, the Health Insurance Act.

² After the Health Insurance Act was put into operation, criticism was brought against this point. It was argued that the employer alone is responsible for the compensation of injury, sickness or death if they

An allowance of sixty per cent of wages is granted as maternity benefit to an insured woman for a total period of ten weeks (four weeks before and six weeks after confinement). A benefit of twenty yen is paid to cover the expenses of child-birth.¹ A previous period of one hundred and eighty days' insurance must be paid up before this benefit can be allowed. Nevertheless, if an insured woman has paid insurance premiums for more than ninety days, either confinement benefit may be granted or the service of a mid-wife may be provided.²

In case of death, twenty times the daily remuneration of the insured person or, when such amount is less than twenty yen, the sum of twenty yen is awarded to the next of kin or to a prescribed person. This benefit is not granted to relieve the members of the deceased's family, but is given to cover funeral expenses.

THE RATE OF PREMIUM

The Department Decree issued by the Department of Home Affairs in October, 1926, prescribes the rate of premium at eight sen per day, per insured value of one yen for coal miners, and four sen for workers in other mines and industries. The regulation of the equal rate of premiums

are caused by the occupation. Under the Health Insurance Act, the employer escapes the sole responsibility of compensation for the first 180 days, a part of the benefit being paid out of the contribution of workers. The government answered this charge by saying that although the employer is not responsible for the first 180 days, the contribution of the employer is also paid for sickness, injury and death which do not arise directly out of the work, and for these, employers are not legally responsible for the compensation. The burden on the employer was rather increased by the operation of the Health Insurance Act. Whether the government's explanation was right or wrong, will be found out only in the future. Cf. *Shakai Seisaku Jiho*, no. 76, January, 1927, pp. 191-192.

¹ Article 50, the Health Insurance Act.

² Article 82, the Administration Act of the Health Insurance Act.

for different industries is illogical; but on account of the lack of statistical material to predict the percentage of accident and sickness in each industry, the government ruled to charge equal rates of premiums for mines and industries other than coal mines. In practical operation, however, a variety of rates is charged. According to a report at the end of January, 1927, the rates of premium in coal mines and other industries were as follows:¹

<i>Coal Mines</i>		<i>Mines (excluding coal mines) and industries</i>	
<i>Number of insurance societies</i>	<i>Premium per day per insured value of one yen</i>	<i>Number of insurance societies</i>	<i>Premium per day per insured value of one yen</i>
7	8 sen	12	4 sen
26	under 8 "	92	under 4 "
16	over 8 "	54	over 4 "
Average 7.76 "		Average 3.9 "	

The premium rate in coal mines ranged from 5 sen to 10.09 sen, the average being 7.76 sen. In other mines, the premium ranged from 4 sen to 13.1 sen, the average being 5.89 sen. In the cotton-spinning industry, it ranged from 3.2 sen to 5.3 sen. In other factories, the rate ranged from 2 to 8.6 sen.²

ALLOCATION OF EXPENSES

Health insurance is an agency of mutual aid, and it is, therefore, financed by contributions from both the employer and the employee, supplemented by a State subsidy. Both the employer and the employee, in principle, contribute equal amounts,³ but for workers engaged in hazardous work, the employer's contribution may be increased up to two-thirds by the order of a competent minister.⁴ The contribution of the employer for the worker whose daily income is less than

¹ *Shakai Seisaku Jiho*, July, 1927, pp. 88-91.

² *Shakai Seisaku Jiho*, July, 1927, pp. 88-91.

³ Article 72, the Health Insurance Act.

⁴ *Ibid.*, Article 73.

fifty-five sen, is calculated on the basis of the rate charged for the income class of fifty-five to sixty-five sen a day, so that the worker with a small income contributes less than one-half the premium. The maximum contribution from workers is limited to three per cent of their daily wages.¹

Of 167 health insurance societies investigated at the end of January, 1927,² the contribution of the employer ranged from one-half to four-fifths of the premium rates.

<i>Employer's contribution</i>	<i>Number of Health Insurance Societies</i>
1/2 or slightly more	83
3/5 " " "	14
3/5 " " less	3
5/8 " " more	2
2/3 " " "	25
3/4 " " "	32
4/5 " " "	8

The State bears ten per cent of the expenditures for insurance benefits of each insurance society, but the liability of the State does not exceed an average of two yen a year per insured person. The annual State subsidy for the year, 1927, is estimated at 4,000,000 yen.

Health insurance is the only kind of social insurance in Japan at present. The creation of unemployment insurance was considered an urgent necessity when unemployment was a national problem during 1922 to 1925. The relatively small number of unemployed persons³ revealed as the result of the Unemployment Census weakened the public demand for unemployment insurance. The lack of government funds will retard the setting up of such insurance and other schemes for social betterment.

¹ The Health Insurance Act, Article 74.

² *Shakai Seisaku Jiho*, no. 82, July, 1927, pp. 91-93. "The Financial Resources of the Health Insurance and the System of Medical Treatment" by Kenkichi Kumagai.

³ Cf. *supra*, ch. vii.

CHAPTER XIV

CONCLUSIONS

There is in Japan an increasing number of people who hold pessimistic views in regard to future developments under the present economic system. In analysing economic conditions in Japan one cannot fail to notice the existence of serious defects. The lack of raw materials and natural resources is one. The shortage of industrial capital is another. Inefficient industrial organization and marketing add more discouraging factors. The severe industrial depression since 1920, and the rise of the unemployment problem, not only among the working class, but also among the intellectual class, gave rise to a questioning attitude toward the economic order in Japan. The financial crisis in April, 1927, involving the failure of large mercantile houses, and the closing of important banks and resulting in the promulgation of an ordinance for a "three weeks' moratorium", further spread doubt among the public, deepening their convictions regarding the shortcomings of the present economic order. But we must not neglect to take into consideration the fact that economic factors undergo evolution and what appears discouraging today may not persist in the future. Especially is it so for a country the industrial life of which is still immature. Japan is not in the last stage of industrial evolution, but rather at the beginning. Things which appear dark and dull will be clear and brighter when she enters into a new economic activity with the reawakening of the Orient. The quickness or the tardiness of achieving independence and the subsequent economic development of Oriental

countries which are now under the special influence of foreign powers, will affect directly the economic prosperity of Japan.

The complete economic development of the Oriental countries may not take place within a few years; but steady development, though it may be slow, offers great hope for the economic relief of the world, especially of Japan and Europe. Geographically speaking, Japan commands a favorable position, both for the acquisition of raw materials and the distribution of manufactured articles in Oriental markets. The economic development of Oriental countries is, therefore, the salvation of Japan. The justification for Japan's cooperation in the aspiration of China and other Oriental countries for freedom is not only found in ethical and humanitarian principles; it is desirable from an economic standpoint. This policy, however, conflicts with Japan's special interest in Manchuria for the economic development of Japan, and her special interest in this part of China seems never waning. What policy then can Japan formulate with respect to China? Viewed from an economic standpoint, Japan is in a dilemma.

The external need of Japan at present is not territorial acquisition, but rather international cooperation. The industrial difficulty which she is facing is not so much a labor problem, as the reorganization of her industry from the present inefficient, half-domestic industrial stage to an efficient and highly industrialized stage, advancing from the manufacture of semi-finished goods to the production of finished articles.

The lack of the spirit of cooperation is detrimental to Japanese industrial life. The art of cooperation cannot be achieved by mere rationalization. Social institutions, family system and communal life develop cooperation within the home or within a community. A marvelous national co-

operation was achieved about sixty years ago under stress, but cooperation in the economic field is certainly lacking. The impoverished state of living, over-population, and resulting severe competition, and the traditional individualistic outlook handed down from the feudal period favors an attitude of mind seeking individual success even at the expense of others. The momentum of cooperation in the home and in the country had lost its power before the advent of competitive economics in the transitional period, and, for a score of years, the Japanese have entirely lacked training in team work and cooperation.

As it was economic factors that deprived the Japanese of the spirit of cooperation, economic factors again are "driving home" the necessity of cooperation into Japanese minds. In the last few years, the peasant class is learning the cooperative method through tenant-union activities¹ and land owners' unions. The cooperative cultivation of land which was thrust upon the peasant class as the result of tenant disputes seems to be "driving home" the spirit of cooperation in the people who actually take part in the work. The laboring class is learning the advantage of cooperation through labor-union activities and through consumers' cooperative movements. Cooperation among the capitalists seems more difficult to develop, but capitalists are experimenting with cooperation through the activity of guilds and in attempts to purchase raw materials on a cooperative basis.

Although the present generation cannot be expected to develop completely cooperative systems by itself, the younger generation, which is experimenting with the art of cooperation from childhood, will have less difficulty in working out economic cooperation.

There are, however, a group of people who, observing only dark spots in the present economic condition of Japan,

¹ Cf. *supra*, ch. v.

go to the extreme of saying that Japanese capitalism has reached the last stage of development, and is doomed to an early downfall; the line of thought thus expressed however is extremely speculative, following the Marxian type of economic interpretation of history and ignoring the economic, political and social conditions in which the system has its roots. No theory expounded and carried out as an experiment in one country is likely to be practical in another land under different conditions. It is essential, therefore, to look into some characteristics of the modern form of capitalism in general and particularly in Japan.

Although the early downfall of capitalism was predicted by socialists and syndicalists, it has survived by putting on the garment of the corporate form of organization on one hand, and being armed with labor and social legislation on the other. In the last few years, worldwide attention has been directed to the American type of industrial system, *viz.* mass production, the application of efficient machines, scientific management, standardization, and the elimination of waste; or, in other words, the concentration of all available forces for higher productivity. Already, many countries are adopting these principles to rejuvenate limping industrial life, and it seems as if the industrial life of the world will appear in the near future very different from that we see today. The form of capitalism is constantly adjusting itself to the changing environment. We cannot subscribe to the idea that capitalism is doomed to end its life in the present form. Furthermore, the economic life of any country is bound up with the world economic situation and the downfall of capitalism, even should it occur, will not take place in a single year.

The economic characteristics of Japan, as we have discussed them in Part I, present many different aspects when compared with those of other countries. The industrial

system of Japan is so closely connected with international economics that she cannot live in seclusion. For both the procuring of raw materials and the disposing of manufactured articles, Japan depends upon foreign countries. Due to this dependence on foreign countries, Japanese industries lack stability both in prices and in the demand for the manufactured articles. Foreign markets are easily disturbed by competition, by the appearance of substitutes, changing fashions, the financial policy of the government and political disturbances.

This instability is not the only adverse situation in which Japanese workers find themselves, for their welfare is constantly threatened by the actual and potential over-supply of labor. The present population exceeding 60,000,000, for a small country like Japan, is large enough and yet she is adding more than 900,000 annually. The countries attractive to prospective immigrants tightly close their doors against Japan. Birth-control, even though freely advocated, will not keep down the population in the near future to such an extent as to relieve Japan from population pressure. The national growth of population and the migration of tenant-farmers from rural districts to industrial centers, constantly replenish the reservoir of labor supply. Employment must be given them or else social unrest is sure to come. This is a serious situation and the nation as a whole is questioning whether or not industry in Japan can develop fast enough to absorb the ever-increasing labor supply.

Communism appeals to the humanitarian urge, but will it, if applied in Japan, insure higher productivity and more speedy economic development? In the revolutionary period and years of reconstruction in the Soviet Union, production fell off, foreign trade decreased, and industrial development ceased; but because Russia is an agricultural country, she could, except during a period of famine, feed the nation

through the years of economic disturbance and international economic blockade. She could tempt foreign capital by offering rich natural resources for concessions, and the adoption of that famous New Economic Policy was possible. But, can Japan look for the same result? Japan can no longer live by agriculture alone. Speedy industrial development to give employment to the increasing population is a pressing need. At the same time she is short of capital and raw materials. Unless free trade, free immigration and international control of natural resources are secured, or unless a new economic order is adopted in each industrial country, Japan cannot by herself experiment with the new economic order as the Soviet Union undertook to do. Disposing of surplus population and securing an adequate supply of raw materials are problems of life and death importance to the workers in Japan and they have strong ground for wishing to start movements, at least for free immigration and free access to raw materials. Neither the achievement of these ends nor the adoption of a worldwide new economic order are likely to come in the near future. The economic conditions in Japan convince us that she cannot take the initiative in introducing a new economic order; but, must follow a lead. What then is the prospect for improvement of industrial relations?

The sympathetic attitude of the government toward labor and the achievement of progressive labor legislation within a short period promise a bright future. Furthermore, employers in Japan are still dominated by the idea of paternalism as the panacea for industrial ills. Here is a basis upon which cooperation between capital and labor can be worked out for the improvement of industrial relations. But in order to achieve this end, the viewpoint of the labor leaders toward matters relating to industrial relations must be fundamentally changed. Instead of merely fighting for the

phantom of class struggle they should strive to understand the position of labor in the industrial situation in which they work, and they must display added intelligence and skill for a round-table conference with a determined will for conciliation.

A closer observation of the economic situation in Japan and the past achievements of the proletarian class convinces us that improvement in industrial relations is not to be found in an abrupt application of a new economic order, such as the radical group proposes, but rather in reform policies. Of prime importance it is that both workers and employers cooperate for the attainment of higher productivity. Distribution of wealth explains only one phase of economic activity. When productivity is stationary and no flexibility is possible, distribution becomes a more vital issue, and labor and capital center their energy upon grabbing more from the opposing party. In an economic situation where both capital and labor are constantly threatened with international competition and suffer and struggle from ill-favored industrial conditions, the problem of distribution becomes a secondary matter before the urge for higher productivity, so that labor may share also in the increase of production. The laboring class may, by organized power, agitation and strike, be able to snatch from the hand of the capitalists all they demand, but they cannot get more than the industry can provide. Hence, production has a more important and socially significant meaning in Japan than the problem of distribution. With these viewpoints in mind a few suggestions may be made to promote better industrial relations in Japan.

CREATING A NEW ATTITUDE TOWARD INDUSTRIAL DISPUTES

Employers regard labor unions and their leaders as dangerous organizations and persons existing only to bring unjust pressure upon the employers. They think labor leaders

know nothing about business principles, lack moral training, are reckless, absurd and hard-headed, not conciliatory, but coercive. With such preconceived ideas, the employers meet with the labor representatives. Workers, on the other hand, are trained for fighting. Imbued with the theory of exploitation and class struggle, blind to the modern organization of the industrial system and the position of industry in the international economic system, they regard employers as greedy, inhuman beasts. Filled with such ideas and trained for fighting, workers meet with employers. The clash of such diametrically opposing fictitious interests ends in strikes and lockouts.

In order to clear away these misunderstandings and bring about industrial cooperation, two ways are suggested. One is the creating by public education of the will to arbitrate or conciliate, and the other is the reorganization of workers' education and the diffusion of knowledge of labor conditions among the employers.

The education of the workers at present is limited to the sphere of training labor leaders capable of fighting against capital. They are deprived of the knowledge of the organization of the industrial system, and in a modern factory where the division of work is minutely carried out, workers cannot get a perspective view of the industry in which they work. Furthermore, workers utterly lack training for a round-table conference, and many disputes end in strikes which might otherwise be averted. Workers, therefore, should be educated not merely in the theory of exploitation and class struggle, but in the history and characteristics of the industrial system which is so different from that of the nineteenth century. Employers should give opportunities for workers' representatives to study the organization in which they work and have some idea of the industrial problems their employers are facing. Such an enlarged perspec-

tive view will enable the worker to cultivate independent thinking rather than be intoxicated by a general economic theory and speculative philosophy. Furthermore, they need training in the art of conciliation.

Not every worker and not every employer can be expected to attain a broader perspective of industrial relations and industrial conditions. Industrial disputes must be, therefore, handled by trained experts representing labor and capital. It is the quality of the man which either breaks the relation or bridges the gap. Perhaps, the art of cooperation and conciliation for both workers and employers may best develop through the Shop Committee system. The Shop Committee system existing at present in Japan is more or less a type of organization functioning as a consulting body to the employers and no trade-union principle is embodied. Hence it is attacked by labor unions as a tool of employers to evade the encroachment of labor. It can be raised, however, to the standard of a negotiating body for industrial disputes, and means of disseminating the point of view of employers and employees. The principle of cooperation can be extended to create a shop committee in each factory. Subsequently district federations and the national federation of these unions may be created. Disputes are first to be brought to trained experts representing the employer and employee. In order to facilitate the work, labor in each major industry should have a trained expert. Up to the present, the conciliators have been local government officials, police or community heads, or some eminent person known by the disputants, but they have lacked the ability to bring out the true situation and the economic facts upon which the disputes have hinged.

LEGISLATION INSTITUTING THE PUBLIC ACCOUNTING SYSTEM

The causes of disputes most frequently relate to the subject of wages. The demand for higher pay is usually refused by employers on the ground that the industry cannot bear increased wages. This does not, however, convince workers, for there is no ground of proof. One of the means of judging whether an employer can pay higher wages is a financial statement. Since the entrepreneur as an individual, partnership or incorporated body, is entirely free in drawing up the inventory or statement of assets, he can easily accumulate a large amount of secret reserves or pay dividends out of capital. Unless a financial statement is carefully checked with previous statements and the items are thoroughly studied, the balance sheet or the statement of profit and loss does not reveal the true condition of the industry.

An act embodying regulations that a corporation be compelled to present a financial statement, certified by a public accountant at the request of stockholders, or at the request of conciliatory delegations of labor, will not only help to protect the interests of the shareholders, but will also promote understanding between labor and capital. This will clear away the suspicion of workers against the words of employers and may serve as a basis of conciliation in industrial disputes. Accounting may become an aid, not only in the controlling of finance, but in management.

The participation of the workers in management is an ideal way of bringing about industrial democracy, but unless the workers are trained to become business executives, this will not promote the development of industry. Also, this would meet greater opposition from the capitalists, than seeking legislation for accounting.

BIRTH-CONTROL AND IMMIGRATION

Over-population is a great obstacle in the way of bringing about improvements in social and economic conditions. Economic problems, such as the shortage of food-stuffs, the unemployment of the intellectual class and the agrarian movement, which have been mentioned, are all related to the problem of population.

No labor union in Japan has yet formulated a clear-cut policy on population, but unions are called upon to formulate a definite policy. Birth-control and the freedom of international immigration are two important subjects which labor unions may offer as solutions.

Achievement of these ends necessitates the political activity of the working class, for the former can best be effected through legislative action while the latter depends on diplomatic activities as well as the cooperation of the workers of the world.

CREATION OF AN INDUSTRIAL RESEARCH BUREAU

If workers were aided with an intelligent analysis of economic and industrial conditions in formulating their policies, they might eliminate much of the waste which results from disputes carried out blindly.

There are a few private institutions conducting research into economic conditions and industrial relations in Japan, and some trade unions maintain their own research bureaus.¹

¹ Ohara Institute of Labor Research in Osaka. This institute is maintained by Mr. Magosaburo Ohara, a capitalist and philanthropist. It devotes its work to the collection of material in the labor field and social work. Foreign books on social and labor conditions are translated and published. The *Labor Year Book of Japan* and *Bulletin for Social Work in Japan* are published annually by this Institute.

Kurashiki Rodokagaku Kenkusho. This is also maintained by Mr. Ohara. It is devoted to research work for scientific management and labor efficiency.

Sangyo Rodo Chosasho, Tokio. This is an institute devoted to research concerning industrial and labor fields. It is maintained by members of trade unions.

But they are small in scale and the work is confined to the collection and the tabulation of statistical material. They are of little help in guiding workers for the intelligent formulation of a labor policy, or planning strikes. Industrial relations are so complicated that research in one field necessarily needs the help of all the other allied fields. What is lacking for workers in Japan is machinery coordinating the result of research work done in different institutions. The creation of a bureau of coordination of industrial research will be helpful to workers. The Bureau to be created should contain several sections, such as: 1. A section on economic conditions and the cyclical phases of Japanese industry. Research in this field is important for the control of wages and employment. 2. Research in the productivity of labor. 3. Research in health and sanitation in the industrial field, welfare work and labor legislation. When research in these several allied fields is coordinated, the result will be advantageous to workers, employers and the public as well.

Professor Wesley C. Mitchell said at the Nineteenth Annual Meeting of the American Association for Labor Legislation:

. . . in our dealings with nature we have learned to rely upon men trained in physics, chemistry and the biological sciences for the solution of different problems. Analogy suggests that the social sciences should play a similar rôle in our dealings with each other. Our present task is to pool what resources we have in dealing as best we may with the problems which confront us in the faith that close cooperation between men of affairs and scientific inquiries will both improve our practice and quicken the growth of knowledge.

In this sense, the cooperation of intellectuals with labor is very important, and experts trained in dealing with labor

problems should be supplemented by fighting humanitarian champions.

The Research Bureau should be supported by capital, labor and the government. Their support is necessary, not only from the fact that efficient coordination of information and knowledge is impossible without their aid, but the enlightenment of the working class through the wide diffusion of a knowledge of industry paves the way for cooperation and industrial peace, thereby assuring higher productivity and the elimination of waste.

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